

INDEPENDENT

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Building societies scramble to make cuts after Chancellor lops off a quarter point

Mortgages at lowest rate for 30 years

COLIN BROWN
and PAUL WALLACE

Mortgage rates were cut to their lowest levels for a generation yesterday, giving millions of householders a pre-Christmas boost. After the Chancellor, Kenneth Clarke, reduced interest rates by a quarter of one per cent, Halifax, Britain's biggest lender, led the scramble by building societies to reduce their rates by announcing that its basic home loan rate was being cut to 7.49 per cent from 7.74 per cent - its lowest level since 1966, when England won the World Cup. The decision cuts about 68 pence off the cost of a £50,000 interest-only loan.

The cautious cut in base rates to 6.5 per cent - the first in almost two years - was given a half a cheer by the City and Conservative MPs, who are expecting it to be followed up with further cuts in the cost of borrowing in the New Year.

Mr Clarke said the quarter-point cut in base rates - agreed by Eddie George, the Governor of the Bank of England, after months of resistance - was made because the economic slowdown meant a cut in rates would not threaten the Government's inflation target.

The move was rapidly followed by most other lenders, including Abbey National, Bradford & Bingley, Britannia, Woodwich, National & Provincial, Fortman, Northern Rock, Bristol & West and Norwich & Peterborough. The tiny Newbury-based lender, which has been dropping its rates even further, to 7.29 per cent.

In Nationwide's case, its decision came despite earlier

statements that the base rate cut was not enough to make it drop mortgage rates further.

A Halifax spokeswoman said she hoped the reductions would help boost the housing market. "Homes are more affordable today than for many years. We believe that a rate reduction will help increase... confidence. It may not be a cure, but it should be a hopeful incentive."

The City is expected to see



6 per cent interest rates by June next year. Preparing a muted front, Mr Clarke and Mr George insisted that on this occasion there had been no disagreement about policy. The decision to cut by a quarter-point had been recommended by the Bank and agreed by the Chancellor.

"The only issue at the monthly monetary meeting was whether to go for a quarter or a half per cent cut," said Mr Clarke. "In the end there were pretty decisive arguments for a quarter per cent."

Following the release of up-

beat figures on unemployment and the state of the high street, the Chancellor said he had arrived at the meeting believing the smaller reduction in interest rates was the right one. Other arguments counselling caution, he said, were the exchange rate, which was close to its all-time low, and the strong rate of monetary growth.

The Chancellor signalled that any further reductions were likely to be on a similar scale. Mr Clarke said that in an environment of low inflation, he was influenced "by the belief that we should move in quarter rather than half a per cent steps."

Mr George said the Bank's recommendation stemmed from a change in its view about inflation. "The odds have moved in favour of reaching the inflation target of 2.5 per cent or less and on that basis we proposed a quarter per cent reduction."

However, some City analysts expressed scepticism. "The suspicion is, that despite today's statements, the Bank would have preferred not to cut rates, yet but have been overruled," said Michael Saunders, economist at Salomon Brothers.

Tory MPs were disappointed that the cut was not bigger, but said it could help to restore the feel-good factor over Christmas, if it was followed by more cuts.

"I don't think it is enough by itself to sustain the Chancellor's growth forecast. I shall be looking for further cuts of a quarter per cent," said John Townend, chairman of the Tory backbench finance committee. The Chancellor needed to ensure there was enough room in the Budget next year to provide pre-election tax cuts.



Eddie George and Kenneth Clarke yesterday Photograph: Reuter

Europe plan for ban on veal crates

KATHERINE BUTLER
Brussels

The European Commission will tomorrow propose a Europe-wide ban on the raising of veal calves in crates.

But, in a substantial concession to veal-producing countries, farmers already in the veal business will be allowed to use crates for up to 12 years. Campaigners are expected to reject this transition period as far too long.

None the less, the Brussels move represents a considerable victory for public protests - particularly in Britain - against a farming method viewed by animal welfare campaigners as barbaric. The proposal also represents a victory for the former Secretary of State for Agriculture, William Waldegrave, who lobbied for action at European level.

Scientists and veterinary experts, asked to study the evidence, have recommended the Europe-wide ban, which Britain now hopes will help end protests against live animal exports to the continent. Veal crates have been outlawed in the UK since 1990.

According to the proposal, which will be put to EU agriculture ministers next week, it will be illegal from 1998 for farmers to start using crates for the first time. To allow producers time to adapt to other rearing methods, existing holdings can continue to use individual pens until the end of 2007.

The proposed ban faces bitter opposition from the French, who are the biggest veal producers in the EU. Of the 6 million calves raised in crates in Europe, 80 per cent are in France. There are no plans to provide cash compensation to farmers, according to a draft of the Commission proposal, seen by the *Independent*.

The French have the support of Italy but will not have enough votes in the Council of Ministers to block the measure, which

can be decided by majority vote. Commission officials are confident of majority approval.

The producers say that cramped timber crates to restrict the calves' movement, and a diet of milk-feed, are required if veal eaters are to get the tender white meat they expect. Meat turns redder and tougher if the animals are allowed to exercise. Scientists, however, have concluded that it is abnormal and cruel to deprive calves of "social interaction", of space for normal movements and some roughage in their diet.

EU officials dismissed industry warnings that the market for veal will collapse or that the price of beef, already hit by the "mad cow disease" scare, will plummet if the ban is approved. "The market for veal will still be there. The French and Italians may just have to get used to rosy veal for a change," said one Brussels official.

Crates, which, like battery hen cages, are a typical feature of intensive farming, are of necessity tiny to restrict movement, prevent muscle development and stop calves grazing on anything other than the milk they are fed.

According to one expert, the system induces a type of anaemia in the animals. But supporters including representatives of the feed industry claim the calves are humanely treated, are fed and watered carefully and are not in pain or misery.

Thousands of people took part in peaceful protests this year - in sharp contrast to animal rights extremists who blockaded ferry ports and fought with police - to try to persuade Mr Waldegrave to take action.

Demonstrators marched slowly in front of lorries loaded of sheep. Ministers were sent parcel bombs through the post and incense rivalry broke out between rival groups of animal rights campaigners.

Boy dies after shuttle between hospitals



Nicholas Geldard: 'Nightmare'

PETER VICTOR

Two NHS trusts promised a full inquiry into the case of a 10-year-old boy who died with a brain haemorrhage after being shuttled between four hospitals.

Nicholas Geldard, was moved between three hospitals in Greater Manchester before being driven 45 miles through a snowstorm to a fourth, in Leeds. By the time a scan confirmed the haemorrhage, doctors were unable to save him.

Nicholas, from Offerton, Stockport, collapsed last Thursday and was taken to Stockport

Infirmary. His mother, Cath, said it took 20 minutes for an ambulance to arrive. At the hospital he was seen by a nurse, but not a doctor, she claimed. Mrs Geldard said a decision was taken to give Nicholas a scan at Stepping Hill Hospital.

However, the ambulance transfer took an hour and because the scanner at Stepping Hill operates between 9am and 5pm, when Nicholas got there, it was closed. Doctors decided to carry out the scan next day, but when the boy's condition deteriorated it became clear they could not wait. He was given a

scan at Hope Hospital, also in Greater Manchester, which confirmed slow bleeding was putting pressure on his brain.

An operation was vital. But then doctors hit another snag - no paediatric intensive care beds available. The only available bed was at Leeds General, 45 miles away. When Nicholas reached there, after an ambulance drive through a snowstorm, he was dead.

Mrs Geldard said: "We are very, very angry. You put your life in the hands of the health service yet Nicholas was fatally let down. This shouldn't

happen ever again. It was a nightmare."

Ann Coffey, Labour MP for Stockport, echoing Labour's call for a Department of Health inquiry, said: "There are two serious issues. One is why a very expensive scanner paid for by public subscription is not available after 5pm, and second is the unavailability of intensive care beds. 'In the north-west we have some very fine hospitals, very fine doctors and very good facilities. But if because of the way the internal market operates you can't use these facilities, it raises questions

about planning and the use of resources. I want this to be investigated at a very high level."

Stockport Healthcare NHS Trust and Stockport Acute Services NHS Trust said in a joint statement: "This is a distressing set of circumstances in which every effort was made by trusts to avoid the ultimately tragic outcome. We offer our deepest sympathy to the family of Nicholas Geldard." The trusts said a "full inquiry" would be held. Preliminary inquiries had indicated that "good clinical practice was observed".

IN BRIEF

Major's EU warning
John Major is to issue a tough warning of the "price of error" if the EU rejects his plan for an in-depth study of the impact of a single currency. Page 2

Road to ruin
The most expensive road ever built in Britain, the £360m Limehouse Link, was fiercely criticised by MPs. Page 5

Chinese dissidents jailed
China's leading pro-democracy dissident, Wei Jingsheng, was jailed for 14 years. Page 10

Today's weather
Cloudy and cold in England and Wales. Section 2, page 21

Private schooling 'has little effect on success'

JUDITH JUDG
Education Editor

Parents who pay for private education to help their children up the social ladder are probably wasting their money, according to research published today.

Research from Sussex University based on 17,000 people shows private schooling has little or no effect on people's eventual class or job prospects.

The 18-month study, funded by the Economic and Social Research Council, shows that ability is by far the most important influence on success in life.

It is three times as important as parental class in predicting which social class someone will reach as an adult, and five times as powerful as private education.

In some cases, the study says, the relationship between private education and job prospects is negligible.

The research is the latest contribution to the debate about the role of IQ and social background in determining life chances.

Professor Peter Saunders, the researcher, based his findings on a statistical analysis of the National Child Development Study, which has been monitoring the lives of 17,000 people born in one week in 1958. Their educational attainment and progress were checked at 7, 11, 16, 23 and, most recently, at 33.

Ability was measured by verbal and non-verbal reasoning tests at 11 (similar to IQ tests) and checked against maths and

reading test scores at 7, 11 and 16.

Professor Saunders said: "The only strong effect of private education I can find is that it gives people a greater level of confidence at 16. It doesn't have any appreciable effect on exam success."

Sixteen-year-olds who went to private schools had higher aspirations and expectations about their future than those who did not. They were more likely to want to stay on at school and to go to university.

The analysis confirmed that children of parents in professional, managerial and administrative grades (social classes 1 and 2) had three times the chance of reaching these grades.

TURN TO PAGE 2

Christmas bonuses paid in platinum

NIGEL COPE

Britain's City traders and merchant bankers have found a new hole in the tax system: bonuses paid in the rare metals of platinum sponge and rhodium.

These are the latest in a string of innovative measures designed to prevent the City's big-brothers from paying National Insurance contributions on their bonuses. They have tried it with gold, diamonds, fine wines and even racehorses but found their measures stamped on by the Government.

This year, tax experts say several institutions will pay bonuses in platinum sponge, the pure, powder form of the metal used in the manufacture of catalytic converters. Others will be paid in arsenic sponge or rhodium. With some City

bonuses expected to top £1m and with National Insurance contributions set at about 10 per cent, there is a lot at stake.

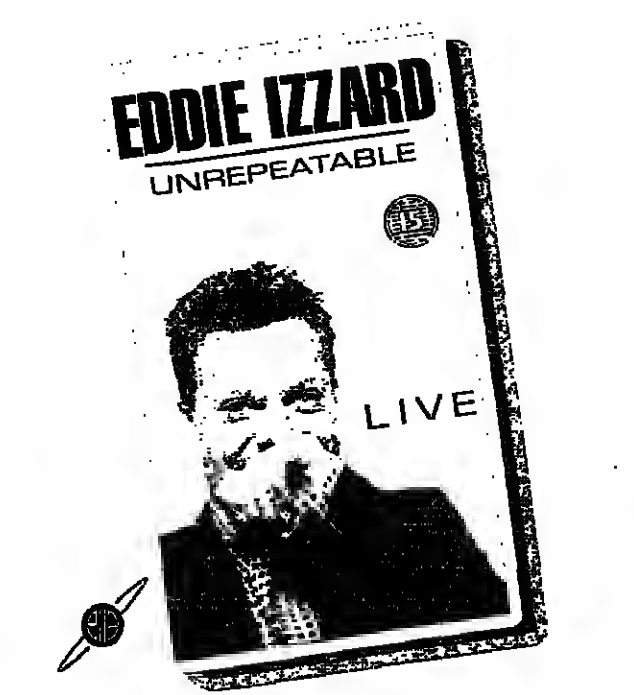
It works like this. If employees receive a bonus of £100,000, they will not take delivery of 10 jars of platinum sponge. They will be given a certificate saying the platinum has been bought and that the dealer awaits instructions. Unless the worker has a desire to hoard the powder, which is 99.95 per cent pure platinum, it will be sold.

One accountant said: "I know some bonuses are being paid in platinum sponge. But the bigger bonuses cannot be paid in this way as they would exhaust the supply."

The Department of Social Security has been getting tough on bonus payments saying they should be taxed as earnings.

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news

Major in EU plea over single currency

DONALD MACINTYRE
Political Editor

John Major will tomorrow issue a stern warning to his European counterparts about the "price of error" that will be paid by the EU if it fails to sign up for his proposal for an in-depth study of the impact of a single currency on the community as a whole.

The Prime Minister will press

his case for EU finance ministers to conduct a study - between now and the end of 1996 - of the potential impact of monetary union on economic relations between those countries inside and outside a single currency, and on the planned enlargement of the community.

While the likelihood is that the EU Council in Madrid will back the proposal, Mr Major

has gone out of his way to emphasise the importance he attaches to the study.

He has told colleagues that without it the EU could be sleepwalking towards the biggest change in the European economy since the Gold Standard, without proper consideration of the consequences.

Mr Major's line for the Madrid summit emerged as a

Euro-sceptic parliamentary revolt loomed for next Tuesday over tonnage quotas agreed under the EU's Common Fisheries Policy 12 months ago. The eight former whippers Euro-rebels plan a Commons amendment challenging the agreement and seeking withdrawal from the CFP.

A more potent threat will face the Government if Labour

can secure any Tory backbench support for an amendment of its own which will strongly criticise the fisheries agreement but stop far short of demanding withdrawal from the policy.

Gavin Strang, the shadow Agriculture Minister, claimed last night that the quotas agreement had been a "disaster from the standpoint of the UK fishing industry", and called on Tory

MPs with fishing constituencies to back Labour's amendment.

Although Euro-sceptics will be encouraged by Mr Major's demand for an inquiry into the single currency's impact, the move will not alter agreement to a timetable which leaves fully open the possibility that a crew of countries will still go ahead with a single currency in 1999.

Moreover, it will be regarded

as significant within the party that the pro-European Kenneth Clarke is to be one of those conducting the study.

Although the Chancellor shares Mr Major's concerns about the need for thorough scrutiny of arrangements for monetary union, he has made clear his forceful opposition to Britain ruling out joining a single currency.

IN BRIEF
Opera sacks its managing director

The Royal Philharmonic Orchestra has sacked its managing director, Paul Findlay, and head of public relations, Ewen Balfour, citing "irreconcilable problems".

Lord Menzies, president of the RPO, said yesterday: "I am very sorry that circumstances have dictated a change in the orchestra's management, but I have every confidence that the chairman and board's determination to secure the financial and artistic future of this great orchestra will undoubtedly succeed." Neither of the two sacked men was available for comment last night.

Hope for lost Ben

Chris and Eddie Needham, the grandparents of missing toddler Ben Needham, plan to travel to northern Greece on the slim hope that a blond-haired gypsy boy living 50 miles from Salonika could be him. The boy is about six - the age Ben, who disappeared in July 1991, would be now - and Greek authorities say they are prepared to carry out DNA tests if they feel he might be Ben. Ben's mother, Kerry, of Sheffield, said she could not tell from a video if it was her son.

Harrods blackmailed

Detectors were questioning two men about a blackmail threat made to Harrods which attempted to force London's best-known department store to hand over up to £5m. The blackmailers told the Knightsbridge store that unless the money was paid they would release a tape of the six food halls during the pre-Christmas period.

Killer was on leave

A man was jailed for life at the Old Bailey yesterday for the "brutal" murder of a Swiss au pair while he was on home leave from a jail term in Lowestoft for a similar offence. Suschita Jungblut, 20, had recently arrived in England when she met Darren Smith, 28, at a disco in Dunstable, Bedfordshire. She was beaten, sexually assaulted and strangled with her own tights.

Winston Churchill MP An apology

In an article that appeared in the *Independent* on 1 May this year Winston S Churchill MP was quoted as having told the *Sunday Times* that the expression of interest by the University of Texas and other potential overseas buyers in the purchase of the Churchill Archive "was all a gambit to squeeze the Government for the best deal". We accept that he did not in fact utter those words or anything like them, and apologise for wrongly attributing this statement to him.

THE INDEPENDENT ABROAD

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MPs told of £2bn housing benefit fraud

NICHOLAS TIMMINS
Public Policy Editor

Up to £2bn a year of housing benefit is being claimed fraudulently, MPs were told yesterday by the council officials who investigate benefit claims.

Official calculations that fraud and abuse may amount to 8 to 10 per cent of the £12bn bill for housing and council tax benefit are serious under-estimates, Andrew Webster, co-ordinator of the Local Authority Investigation Officers Group, told the Commons Social Security Committee. "The real level could be double that," he told MPs as investigators said they believe housing benefit fraud was being used to fund drug operations and other criminal activities and as the committee was told that benefit cheques had been found redirected to Cyprus and other countries by organised gangs.

But mutual suspicion between local authorities and the Benefits Agency was hampering fraud investigation, and local authorities face serious legal and other difficulties in prosecuting the guilty, MPs were told. "The myth that benefit fraudsters are those just trying to get a few extra pounds for a slightly higher standard of living to raise them off poverty is not, in general terms, accurate," the investigators told the committee. Though some fitted that description, most were "motivated by greed, not desperation."

"Some fraudsters are educated, middle-class and articulate, regarding benefit fraud as a victimless crime. These people use their knowledge and contacts to set up complex frauds, often difficult to detect and onerous to investigate. The cash is used to fund a more affluent lifestyle."

That was particularly true in the shire areas outside the big cities to which those running organised frauds were tending to move, regarding the smaller authorities as softer targets. "Organised fraud is milking the system of millions of pounds through fictitious claims and property rings."

The investigators listed 20 different forms of housing fraud, from claimants simply not living at the address for which they were claiming to collusion with landlords, claiming in three or four different local authority areas, or landlords moving sometimes fictitious tenants in and out so fast that keeping track of claims becomes impossible.

The current incentive scheme, which penalises local authorities that do not make minimum benefit savings is "simply scratching the surface," the MPs were told.

As Frank Field, the committee's chairman, said the committee aimed to put fraud "right at the top of the political agenda" in its report, Mr Webster called for minimum standards for fraud investigation across local authorities.

Private education 'is not always better'

FROM PAGE 1

by the time they were 33 as children born to parents with semi-skilled or unskilled jobs (social classes 4 and 5).

But Prof Saunders challenges the view that the success of the former is based on class or attendance at private schools. Ability is what counts.

He said: "The evidence indicates that recruitment into the middle classes is much more meritocratic than generally believed. If you want to predict where a child will end up on the social ladder, you can make a reasonable prediction on the basis of just three pieces of information - ability, educational motivation and qualifications."

Prof Saunders is now researching other issues that

might affect class and occupation such as personality, peer group pressure and social networks.

Girls are offered far fewer opportunities to play sport after school than boys, according to a report published today. The schools inspection body, Ofsted, says that although most schools are committed to equal opportunities, boys taking part in sports outside lessons outnumber girls by two or three to one. The report on physical education and sport in schools adds that there are too few female games teachers and other women staff give them too little support. The study, based on visits to 86 schools, adds that well-managed competitive sport helps pupils' social and moral education.



Dr Judith Sharpey-Schafer being comforted by her husband, Robin, after telling how she witnessed Dr Anthony Inwald being stabbed

Labour 'playing politics on knives'

JOHN RENTOUL and
JASON BENNETT

Michael Howard, the Home Secretary, yesterday accused Labour of playing "petty party politics" over his plan to tighten the law on the carrying of knives in the wake of the murder of headteacher Philip Lawrence, who was stabbed outside his school.

Mr Howard announced that the Government would support a Private Member's Bill introduced yesterday by the Conservative MP Lady Olga Maitland, which would allow police to arrest anyone carrying

a knife without needing a warrant, and to raise the maximum penalty to six months' jail.

Jack Straw, Labour home affairs spokesman, said he supported the Bill but that it was too little, too late. Continuing Labour's attempt to outflank the Government as tough on crime, he repeated his demand for even longer jail sentences and more restrictions on the sale of knives.

Mr Howard told BBC Radio 4's *Today* programme: "There are some people who will play petty party politics in almost any circumstances." He accused Labour of having invented its

demand for controls on the sale of knives in the course of Tuesday. Mr Straw retorted later that Labour had tried to amend the 1994 Criminal Justice Act to control the mail order sale of knives.

An inquest into the death of Philip Lawrence heard yesterday that the headmaster, a 48-year-old father of four, died on Saturday, eight hours after being stabbed in the chest outside St George's Roman Catholic School in Maida Vale, west London.

Det Supt Brian Edwards, who is leading the investigation, told the hearing: "We are treating

his death as murder and have set up an inquiry to find the people responsible. We are not yet in a position to proffer charges." The inquest adjourned.

Meanwhile, a woman was remanded in custody for a week when she appeared in court yesterday charged over the stabbing of a doctor in his surgery.

Maria Caseiro, of Holloway, north London, was charged with causing grievous bodily harm following an incident involving Anthony Inwald, 39, who was stabbed, and another doctor, Judith Sharpey-Schafer, at a Holloway medical centre.

Ms Caseiro was accompanied by a Portuguese interpreter at the hearing before Highbury Corner magistrates. No application for bail was made. She is due to appear in the court on 20 December.

A police officer was stabbed by a man as he attended a domestic dispute in Ouseley, near Chester-le-Street, County Durham, PC Peter Walsh, 35, needed surgery and a 10-pint blood transfusion after the attack. Another officer was slashed across the face with a long-bladed Bowie knife by the man, in his 20s, who was later arrested.

Head fails to ban intruders from school

WILL BENNETT

Laws protecting schools from intruders were condemned as inadequate by an angry headmaster yesterday after he failed to get an interim injunction to ban a group of teenagers from his school.

John Gribble, headmaster of Bretton Woods Community School, in Peterborough, Cambridgeshire, was told by a county court judge that any injunction which he granted would not be enforceable.

"The court's decision illustrates the inadequacy of current legislative arrangements for the protection of schools from in-

trusion," said Mr Gribble, two of whose pupils have been threatened or attacked in the past three weeks.

He said that he remained "determined to deal with those mischief-makers who seek to disrupt our school" and that he would be demanding a tightening up of the law to deal with the problem.

The controversy at Bretton Woods comes as the murder of Philip Lawrence, headmaster of St George's Roman Catholic School in Maida Vale, west London, last Friday has heightened concerns about school security.

Mr Gribble took court action because he felt he was power-

less to act against a group of teenagers who have been causing trouble at the school. Three weeks ago a pupil was threatened by some youths inside the school. That incident was not sufficiently serious to warrant police action and officers had advised that the school take a civil action. Mr Gribble said: "In the case of certain named individuals, they said that if we could get a court order preventing them from entering the grounds, they could be arrested if they did so."

But on Monday, as the school prepared for yesterday's hearing at Peterborough County Court, two youths burst into a

classroom and attacked a 14-year-old pupil. Two youths, aged 15 and 16, have been charged, one with assault and the other with criminal damage.

Yesterday the school sought an injunction banning three named teenagers, including the two charged after Monday's incident, from the school but Judge Angus Macartur ruled that any injunction he granted would not be enforceable.

He decided that the three, all former pupils at the school, could not be jailed because they had no independent income. He said: "These injunctions would

be toothless and should not be granted. I do not think it is appropriate for this court to make an order where there is a likelihood of a breach and in the case of a breach this court would have no powers to act."

Mr Gribble said: "The police seem to be underpowered to deal with situations like this and that is an area which needs to be examined."

According to Superintendent David Hankins, of Peterborough police, said that people causing a nuisance in schools could be charged and fined under the Local Government (Miscellaneous Provisions) Act but there was no power of arrest under the Act.

Judge attacks Howard's 'two strikes and out'

STEPHEN WARD
Legal Affairs Correspondent

Lord Lane became the latest senior judge to attack the Home Secretary Michael Howard in the developing clash between the Government and the judiciary.

The former Lord Chief Justice broke his public silence to warn that automatic life sentences for relatively minor sex offenders would lead to a growing unrest in jails, forcing prison authorities to waste money on increasing security.

Lord Lane, who since his retirement three years ago has become a trustee of the Prison Reform Trust, warns in a magazine article that Michael Howard with his "law and order battler" risks upsetting the "difficult balance between punishment on one hand and rehabilitation on the other."

The dispute erupted when Mr Howard announced his plans to the Tory conference in October. Lord Taylor, the present Lord Chief Justice, issued a statement within an hour to say he thought the Home Secretary was wrong to take away from judges the discretion to sentence according to individual circumstances. Criminals were deterred by fear of



Lord Lane: Warns of 'increased unrest' in jails getting caught, not long sentences, he said.

Recognising the seriousness of the constitutional crisis, other serving judges have remained silent, but Lord Donaldson, former Master of the Rolls, has described the Government as "despotic", and even Lord Mackay, the Lord Chancellor, has said he thought Mr Howard would have to think again. Other ministers have weighed in with anonymous attacks accusing judges of bias against the Government in judicial reviews.

Writing in the latest issue of the barristers' journal, *Counsel*,

Lord Lane, who was a senior judge for 12 years until 1992, said the Home Secretary should have considered the experience of the United States, where mandatory life sentences for repeat offenders, the "three strikes and you're out" policy, has overloaded jails with drug offenders serving long spells for relatively minor offences.

He writes: "The Home Secretary said at Blackpool... 'Anyone convicted for the second time of a serious violent or sexual offence should receive an automatic sentence of life imprisonment.' That is a massive and a mandatory life sentence. The effect on inmates and staff alike of such a programme scarcely needs explaining: increased unrest, increased security on one hand; less time and less money available for education and remedial work on the other."

He suggests that Labour's shadow Home Secretary is also guilty of playing the law and order card. "All political parties claim... that given the chance they will impose longer sentences and a harsher prison regime, thereby, the reasoning goes, reducing the number of crimes committed."

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W & J GRAHAM'S PORT

Sara Thornton appeal: Woman who stabbed husband to death gets new hearing after fresh medical evidence

Retrial for murder case 'battered wife'

HEATHER MILLS

Home Affairs Correspondent

Sara Thornton, a *cause célèbre* for battered women, is to face a retrial after the Court of Appeal yesterday quashed her five-year-old conviction for murdering her drunken and violent husband.

The appeal judges decided that fresh medical evidence showing Mrs Thornton was suffering from "battered woman syndrome" and had a personality disorder at the time that she plunged a knife into her husband should be put to a jury.

Mrs Thornton, who had served six years of a life sentence after losing a first appeal in 1991, has been granted bail pending a new trial to take place in Birmingham next year.

The judges had been asked to reduce her murder conviction to manslaughter on the grounds that she had been provoked by her husband's behaviour - and that her "vulnerable" personality made her more likely to snap in the face of his insults and threats.

Lord Taylor, the Lord Chief Justice said: "We are firmly of the view that the question of whether the appellant did lose or may have lost her self-control at the time of this killing is essentially a matter for a jury to decide. It is not for us."

Overruling her lawyers' claims that a new trial may be prejudiced by the huge amount of publicity her case has generated, Lord Taylor said he was confident a fresh jury "will be able fairly to try the case solely on the evidence they hear."

Mrs Thornton, 36, had

Her failed appeal, 17 months later, was the first in a series of high profile cases which placed domestic violence and law reform on the political agenda and questioned the defences available to women who kill violent partners - particularly provocation. It was argued that the need to prove a "sudden and temporary" loss of control did not take account of any period of time in which a defendant's emotions could simply "boil over".

But yesterday Lord Taylor underlined the law saying that even women suffering from battered woman's syndrome still needed to prove a sudden loss of control. However, he added that since Mrs Thornton's first failed appeal, the law had been clarified to ensure that the jury had to consider a defendant's mental state when deciding whether or not they had lost control.

"We conclude that the fresh evidence and the clarification of the law cast doubt upon the basis of the jury's verdict in this case. We cannot therefore be sure that the verdict is safe and satisfactory," he said.

The judge said that Mrs Thornton's life had been punctuated by a series of "problems and unhappy incidents" caused by her personality disorder, including a number of suicide attempts, by slashing her wrists, cutting her throat and taking an overdose.

She left her first husband, taking their daughter, Luisa, because of his drinking habits, and even before her marriage to Malcolm Thornton in August 1988 it was clear he had a serious drink problem.

It was a stormy marriage. There were angry scenes when he was drunk and he used violence, said Lord Taylor.

Mrs Thornton had denied threatening to kill her husband shortly before his death and had



Judgment day: Sara Thornton, second right, arriving at the Court Of Appeal yesterday with friends and supporters

Photograph: John Voos

told police that she only intended to frighten her husband with the knife.

Lord Taylor said the single stab wound penetrated deeply through to the back of the

ribcage. At her trial, she maintained the stabbing was an accident and her lawyers claimed that she had acted out of diminished responsibility.

After the hearing, Mrs

Thornton left court without comment, on bail set at £10,000, part of which was put up by Jennifer Nadel, home affairs editor for ITN who is making a documentary about the case for

Channel 4. ITN put out a statement yesterday stressing that she was acting in a personal capacity.

One of Malcolm Thornton's sons, Stuart, said of the deci-

sion to hold a retrial: "The bottom line is our dad died six years ago and we are still going through it all today. It's not fair on us, it wouldn't be fair on any family."

Porsche salesman blamed for death smash

TONY HEATH

A Porsche salesman was to blame for killing a customer and an innocent woman motorist during a 100mph test drive on a country road, an inquest ruled yesterday.

Coroner Geraint Williams criticised the "ride and drive" promotion, organised by a Porsche dealership, for high performance cars as "deplorable". It appeared to be gripped by hysteria, he told the jury at Brecon, in Powys, Wales, which ruled that the two, retired businessman Derek Redfern, 57, and hotel assistant manageress Karen Dalley, 22, were unlawfully killed.

The inquest also recorded a verdict of accidental death on the Porsche salesman, Gavin Shaw, 30, who was demonstrating the cars. He was at the wheel of the £56,000 Tiptronic 911 when it crashed into Miss Dalley's Renault 5. All three died in a fireball.

Both victims' families were last night planning to sue the Porsche dealers, Merlin Cambria of Cardiff, over the deaths. Meanwhile, safety experts called for the Government to act to stop such events as the Porsche promotion. James Iye, Director of the British Safety Council, said: "There should be a ban on promotional drives involving high-speed cars on public roads."

The inquest heard that nine Porsche cars were driven at up to 120mph on 11 June during a show day at the Llanged Hall Hotel in Llyswen, near Brecon, Powys.

Karen Dalley, 22, was driving along the A470, near the village of Llyswen, when a Porsche on a demonstration run skidded and smashed into her car at a closing speed estimated at more than 100mph. Ms Dalley, who was employed as an assistant manager at the hotel, run by the Laura Ashley founder Sir Bernard Ashley, was returning from visiting friends when the accident occurred. It blocked roads in mid-Wales for six hours.

Mr John Palmer, a 65-year-old retired businessman from Lledbury, Hereford and Worcester, who was towing his caravan at 50mph on a straight stretch which was part of the demonstration route, told the inquest he heard a roaring noise as he was driving along. "I thought it was a low-flying aircraft. Then a Porsche passed me at very high speed. In 40 years of driving I've never been overtaken like that. It was so fast I couldn't even pick up the number on the registration plate."

PC Mark Worth, a Dyfed-Powys accident investigator, told the hearing that after examining the crash site, he concluded that the Porsche had skidded, skewed sideways on and hit the Renault, which was in its correct lane coming in the opposite direction. He added: "The Porsche used the Renault as a launching ramp and was airborne for 50 feet before it hit the road again."

After the verdicts were announced, the coroner was forthright in his criticism. Describing the crash as the county's worst ever road accident, Mr Williams said: "There is no doubt that there was a tacit acknowledgement by Merlin Cambria that cars would be driven fast. There seems to have been some sort of group hysteria. As obvious as night follows day people were going to be killed on that day."

Dyfed-Powys Police, who were not given prior warning of the event, said they were considering the case to the Crown Prosecution Service.

The pits for BBC as ITV gets Grand Prix

MARIANNE MACDONALD and DAVID TREMAINE

ITV has left BBC on the starting grid by purchasing the rights to broadcast all Formula One Grand Prix races from 1997.

BBC reacted with outward disappointment but private fury to the news of the five-year deal, under which ITV will broadcast all 16 Grand Prix live on Sundays each season, together with a highlights programme. A new show will feature the build-up to each race, including coverage of the qualifying sessions.

ITV has struck the deal with the Formula One Constructors Association. It will help fill a gap left on Sunday afternoons by its loss to BSkyB of the Emsley League soccer coverage.

This is another major sporting coup for ITV, following hot on the heels of its recent acquisition of the FA Cup Final, said Marcus Platten, ITV Network director. "When we are offered events of this calibre, we have no hesitation in snapping them up very quickly."

The deal was concluded with the Formula One Constructors Association, Bernie Ecclestone, its president, said: "The agreement reached with ITV assures more Formula One and motorsport coverage in the UK."

But BBC insiders felt betrayed by the deal, which was agreed behind its back in four weeks. "The Grand Prix season is very important part of our sports coverage. To lose it is a very big blow," said one.

The battle over sports rights is becoming increasingly frenzied in the light of Sky's sustained poaching. This latest deal illustrates ITV's policy of cherry-picking big sporting events in an attempt to maintain coverage.

In July it bought the rights to the 1999 Rugby Union World Cup and two weeks ago ITV bought the exclusive live rights

to the FA Cup from 1997. It is thought to have paid about £60m for the Grand Prix deal - thought to be almost 10 times more annually for the rights than the BBC paid when it signed its last deal in 1993.

The loss marks the end of an era for the BBC. It has covered the races in its Grand Prix programme since 1977, but has featured Grand Prix since 1953.

Yesterday the BBC was attempting to contact the commentator Murray Walker in an attempt to let him know of the loss but it said it was not clear whether he will go over to ITV when it gains the coverage.

Mr Walker and the BBC have been synonymous with Grand Prix motor racing coverage since the Sixties, although it was not until the late Seventies that coverage of races became more than sporadic.

Walker took up the mantle of his late father, Graham, who was a motorcycle racing com-

mentator. During the Eighties the BBC's Grand Prix was the yardstick by which others were judged.

However, the emergence of the satellite channel Eurosport in the Nineties highlighted some of the format's shortcomings. In particular, the BBC has been under pressure from the British-based Federation Internationale de l'Automobile to have more coverage of the qualifying sessions.

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Murray Walker: Future in doubt after switch

Sky's deal with Granada for the Rover's golden days

MARIANNE MACDONALD Media Correspondent

BSkyB has clinched the sole rights to more than 3,000 vintage episodes of *Coronation Street* in a deal which will see it join forces with the ITV company Granada to launch eight channels on satellite late next year.

The move makes Granada the first UK terrestrial broadcaster to start its own national pay-TV channels but will confirm fears that BSkyB has a stranglehold on the pay-TV market.

It is a coup for BSkyB because Granada - immersed in a bitter takeover fight with Forte - owns one of the world's best libraries of 40 years of Granada and LWT programmes, which could provide a key to attracting new subscribers.

The venture will exploit this archive for the first time, running repeats of old *Coronation Street* episodes on a channel called Granada Gold Plus.

However, Granada will also face criticism from the soap's 20 million devoted fans that they will only be available to viewers with a cable or satellite subscription.

The gold channel will also offer repeats of *The Adventures of Sherlock Holmes*, *First Among Equals*, *Jeeves and Wooster*, *Dempsey and Makepeace*, *The Charmer* and *Please Sir*.

The other seven channels will be Health and Beauty, Home and Garden, Food and Wine, Granada Good Life - "stimulating discussions on lifestyle issues" - Granada Men and Motoring, Granada Talk TV - talk shows and gossip - and a TV Shopping Guide.

The eight channels are expected to cost £25m over two years, shared between Granada and BSkyB. They are expected to move into profit in three years and recoup the start-up costs in four.

Granada and BSkyB will form a joint venture company, Granada Sky Broadcasting, for the deal. But Granada will own only 20 per cent of it due to media ownership restrictions - a proportion likely to expand to 60 per cent after the broadcasting bill is published in the next few days.

Profits will also be divided between Granada and BSkyB, with Granada taking 60 per cent of the profit and BSkyB the rest.

Granada's chief operating officer, Charles Allen, admitted he had looked at other options before signing with BSkyB but denied he had been forced to

come to do so because of BSkyB's control of conditional-access technology.

"We recognise BSkyB are the experts in the area. They have marketing abilities and knowledge of the market," Mr Allen said.

David Chance, deputy managing director of BSkyB, claimed it would be wrong to think his company had "bought" Granada into this. Over a period of months we've looked at different partners and Granada has looked at different partners. Both companies came to the view that our partnership is the best suited."

Two weeks ago the Office of Fair Trading announced an inquiry into BSkyB after complaints from small cable companies that BSkyB is abusing its dominant position in the pay-TV market.



Classic drama: One of the 3,000 vintage *Coronation Street* episodes to be shown on new satellite channel

Corporation's cupboard is looking bare

ANDREW BAKER

Two weeks ago the BBC lost the FA Cup Final to ITV. Yesterday it parted company with Grand Prix motor racing, and its cupboard is looking increasingly bare. What they must be wondering in Wood Lane, will we lose next?

A BBC spokeswoman declined to comment last night on such speculation. Despite the recent raids by its rivals, the corporation retains the rights to Wimbledon, the Open golf

championship and the University Boat Race. But the deal that the BBC has to show the Five Nations rugby union championship - central to its *Grandstand* programme - runs out in March 1997, and already the predators are circling.

The BBC's current deal is worth £27m over three years. But BBC executives already know that they will have to bid a great deal more to renew it. BSkyB has offered £175m for a five-year deal, and the Rugby Football Union has refused to

rule out dealing with them. Tony Hallett, the RFU secretary, said at the weekend: "Everything has its price. If that figure were to be doubled, it would be hard to resist."

All may not be lost to the BBC. It may have lost the Cheltenham Festival to Channel 4 but the Wimbledon tennis championships, is safe with the corporation until 1999 under a deal struck last year. The tennis establishment is moved as much by image and presentation as they are by money, so it

is by no means inevitable that the BBC will lose out when the current deal runs out.

Rugby's bosses, of necessity, are more mercenary. And because the sport's ABC1 target audience is a mouth-watering prospect for advertisers, there is little doubt that the satellite station will be able to raise the ante even further: even as high as the £300m-plus that the RFU is looking for. It may not be long before Bill McLaren goes the same way as the McLaren Formula One team.

Cellnet and Vodafone think it should be 68p to listen to a 1 minute message,

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Interest rate fall: Estate agents fear housing market will remain in the wilderness without more efforts to improve job security

**CLARE GARNER**

"They need to do something more than this to give some confidence to the market. For example, the stamp duty needs to disappear for at least a year. They've done it once before. They waived it for nine months in 1993 and you had a lot more first-time buyers purchasing houses worth over £60,000. At the moment the standard three-

Chris Moorhouse, of Connell estate agents, had not heard of the quarter-point reduction in interest rates. "It's quite funny because I've spoken to a lot of people who are thinking of selling their house today and not one person has mentioned it," he said. "Nobody has approached me and said: 'God there's a quarter of a per cent drop, I want to sell my house'."

According to Mr Smith it is too little too late. "It's not enough. Had it been earlier and the Chancellor had done something with the Budget I feel it

It was left to Colin Wells, a partner of Prospect estate agents, to put the positive side. "The Budget wasn't as bad for the housing market as a lot of pundits are making out. We were more optimistic after the Budget and combined with this interest rate cut there is an air

"At this time of year we would expect to have one property coming on the market per day. The people who have rung me this week are those who have considered moving over the last 12 months but have now made the decision to go ahead."

Analysis

Nic Cicutti

*And the future eyes us evasively as we cyc ourselves.
We are the ghosts of great-aunts and grand-nephews.*

This is the fourth ghost poem from a sequence of seven by UA Fanthorpe which ponders the presence of the world unseen. UA Fanthorpe was one of eight poets commissioned by the Royal Festival Hall Literature Programme to write ghost poems for a reading held yesterday evening in the Purcell Rooms at the South Bank Centre, in London. She was joined by Liz Lochhead, Adam Thorpe, Brendan Kennelly, Ken Smith, Sujata Bhatt, Ian Duhig and Catherine Byron.

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Most expensive road attacked as wasteful by MPs

CHRIS BLACKHURST
Westminster Correspondent

The most expensive road ever built in Britain came in for savage criticism yesterday from a powerful all-party committee of MPs.

Measuring 1.8 km, the Limehouse Link, which opened in May 1993, connects the East End of London with Docklands. It cost £360m and works out at the equivalent of £86,000 per foot.

MPs on the Commons Public Accounts Committee said it was "unsatisfactory" that the Docklands Development Corporation had not carried out an economic study of the options for the road scheme, which had been built after pressure from property developers in the area. The committee warned that it expected such appraisals to be undertaken before contracts are signed and costs incurred in future.

The hard-hitting report will fuel criticism of the Link which, despite its cost, is still subject to

delays and hold-ups. While the Link has been completed, bottle-necks still occur at its ends, on the Highway to the east and towards the A11 in the east.

An official at the Institute of Highways and Engineering said yesterday that the link had to be extended – especially in the east – before hold-ups could be eradicated. He suggested the Link could be made a priority "Red Route", like the parallel Whitechapel Road.

The Department of Transport and Docklands Corporation could have done more to put a figure on the wider benefits of the scheme, which had been touted as the reason for its construction. For such large projects, said MPs, "departments should seek to quantify the expected economic benefits".

Once the money is spent, they should also make another study to see if those expected benefits have been achieved, to improve decision-making on future large building projects.

Some of the worst criticism was reserved for the way the

construction costs spiralled from an early estimate of £141.5m in August 1988 to the figure given but after tenders had been considered, in September 1989, of £227.6m. The Docklands Corporation, one of the Government's flagship urban development organisations, was accused by the MPs, the majority of whom are Conservative, of not "adequately explaining its dramatic underestimation of the expected cost".

One of the main reasons for this failing was the corporation's inability to appreciate the size of the task they were undertaking. The road was short, but it also included a tunnel with houses built immediately adjacent to the sides. In future, public bodies should put enough resources on one side when they begin large projects.

More than £100m was spent on rehousing 565 families living in nearby council properties. The Corporation paid £53.7m for Timber Wharves to rehouse 212 households at an average of £250,000 per household.

Appliance of science: Concern over role of genetics in health and commerce



Dr Watson: 'The real enemy is the disease... At least with testing you have the choice'

Photograph: Gerald Lewis

Watson champions gene testing

DNA discoverer tells Charles Arthur that better quality of life justifies study of defects

James Watson, whose joint discovery 42 years ago of the structure of DNA sparked the modern genetic revolution, yesterday hit back at critics of gene testing, which can identify how likely people are to develop some diseases later in life.

"We have to recognise that the real enemy is the damn disease," he said. "You shouldn't assume that mistakes don't occur within the genes and that they don't affect the body's function after you're born. But for some reason this is a red rag for some people. They say that you shouldn't try to test for them. It's absurd. Parents aren't going to abort a child just because it's got the wrong colour eyes. But maybe they will if it's only going to have the mental age of a five-year-old. Or if it's going to be a Down's baby. At least with

testing you have the choice... would you want [to have] a child you knew would develop schizophrenia?"

Dr Watson, who works at the Cold Spring Harbor Laboratory, in New York, was in London for a conference on gene theory, said prohibiting companies from using genetic testing would not end discrimination. "If somebody applies for a job who weighs 400 pounds, or who has a misshapen face, a company is less likely to hire them. The real discrimination comes from disease... If you develop motor neuron disease, your working life is shortened."

Humans have an estimated 50,000 to 100,000 genes, arranged on 23 pairs of chromosomes. Each gene consists of millions of "base pairs" of four amino acids, arranged in the twisting "double helix" of DNA – the structure that Dr Watson and Francis Crick discovered at Cambridge University in 1953.

Dr Watson, 67, was the first director of the international Human Genome Project, which aims to find the sequence of 35 billion pairs of amino acids comprising human DNA and has been running for seven years.

Opponents of the sequencing programme say that genes are being linked not only to disease but to behaviour as well, including traits such as violent tendencies and homosexuality.

But Dr Watson defends the value of this research, too. He describes one study of a Dutch family which found their strong tendency towards violence derived from their lacking a gene which creates an enzyme that breaks down chemicals produced when someone becomes angry.

He also supports the principle that allows the patenting of the sequences of human genes, in order to exploit them commercially by developing diagnostic tests for them: "You have to look at what system works best for improving the quality of human life. Things get done better and faster if people make money in the process. I'm afraid. And patents only last for 17 years or so... and then the information will be available to everyone for free."

His views were backed by Professor Tim Lane, from the Centre for Food Policy at Thames Valley University. "My view is that the principle is right but it's a big step... and yet the consumer is only being asked their views at the end."

Stores defend 'strange fruit'

DANNY PENMAN

The Sainsbury and Safeway supermarket chains said yesterday they were not worried by the prospect of consumers boycotting their tomato purée, made from genetically engineered tomatoes.

Purée from the modified tomatoes, developed by the drug company Zeneca, will be sold in the supermarkets from February. It will be the same price as the normal purée and will be stocked next to it. The purée will also be clearly labelled as being produced from genetically engineered fruit.

Both supermarkets said they were producing leaflets to inform the consumer and to counter the image of "Frankenstein's tomato".

David Cox, spokesman for Sainsbury's, said their primary aim was to offer the consumer a choice. "There are obvious benefits to genetically engineered food, such as enhanced taste and longer shelf-life."

The tomato has been engineered to last longer by slowing down the action of an enzyme which rots the fruit. More of the natural thickening agent pectin is retained.

The notion of "Frankenstein's tomato" was resurrected by Prince Charles on Tuesday night, on the eve of a seminar on Britain's disappearing biodiversity.

He said many people saw genetic engineering as the most promising way forward for agriculture, but his heart sank at the prospect of some of the new crops being planted.

His views were backed by Professor Tim Lane, from the Centre for Food Policy at Thames Valley University. "My view is that the principle is right but it's a big step... and yet the consumer is only being asked their views at the end."

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Musician 'tried to save her lover'

A musician, Pollyanna Peate, told a jury yesterday of her desperate attempts to revive her ageing lover after he collapsed on top of her as they were making love in the back of his car.

Mrs Peate, 34, denied assaulting Brian Phillips, a grandfather of 62, insisting: "I would not hurt him."

Chester Crown Court has heard that for 10 years the couple regularly had sex after rehearsals with the Frodsham Silver Band, in an affair they kept secret from their marital partners but which was "an open secret" among their fellow musicians.

Mrs Peate, a euphonium



Pollyanna Peate: 'He just fell on top of me'

player, of Runcorn, Cheshire, denies the manslaughter of Phillips, a bass trombonist, on the night of 15 November 1994.

The prosecution says Mrs Peate attacked Phillips, striking him at least four times, after he tried to end their affair. Phillips, who had a weak heart after suffering a coronary attack in 1972, died of a heart attack as a result.

Mrs Peate told the court how they sat drinking, kissing and cuddling in the front of his car for about 25 minutes before Phillips got into the back and lowered the seats. "He took his trousers off while I was still in the front seat," she said. "I took my skirt off and went over."

Phillips then climbed on top of her as she was lying in the back of the car. "We were making love," she said. "He collapsed. He just fell on top of me. I said something like 'Brian, what's the matter?' He wasn't responding to me talking to him. I started to hit his back while I was underneath him. There was no response."

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required. A suitable level term assurance policy will also be required for PEP or pension plan mortgages. An indemnity policy, for which you will need to pay an arrangement fee, will be required where the mortgage exceeds the Society's normal maximum percentage advance of 75%. If the mortgage is either reduced in full or in part or transferred to another scheme before the fourth anniversary of the date on which interest is first charged in respect of the mortgage, the value of the cashback you have received must be repaid in full and a redemption fee equivalent to the savings made as a result of the discount will be charged. The redemption fee will be subject to a maximum charge equivalent to 6 months' interest calculated at the rate payable at the time of repayment. The cashback may affect personal liability to Capital Gains Tax. All mortgages are subject to status, valuation and a minimum age of 18. A written quotation is available on request from any branch or from Woolwich Building Society Dept 15, Corporate HQ, Watling Street, Bealebyth, Kent DA6 7RB. The Woolwich Building Society represents only the Woolwich Marketing Group, which is regulated by the Personal Investment Authority for life assurance and unit trust business. ©BS

news



Man proves master: Gary Kasparov playing against a computer in London yesterday. The PCA world chess champion claimed victory in the contest – the deciding match of three – after winning the first game, helped by an error the computer operator made in entering an early move of Kasparov's, and drawing the second. Last year, Kasparov was beaten by a program called Genius 2, and equalized in a return match. This time he played Fritz 4, the reigning world computer champion. Photograph: John Voss

Somerville case forces rethink on photos

GLENDIA COOPER

More explicit and detailed guidelines over the treatment of "obscene" photographs will come into force at the end of the month, after criticism of the way in which the ITN newsreader Julia Somerville was treated.

Ms Somerville and her partner were cleared after a Kodak employee working at Boots in Covent Garden, central London, contacted police over dozens of photographs of a seven-year-old girl in the bath.

But the case left many parents casting an eye over their own family albums, worrying just how far their pictures might be misunderstood if taken out of context.

Now, both individual companies and their trade organisation, the Photo Marketing Association, are tightening up policy to avoid further accusations of what Ms Somerville called "a deplorable invasion of privacy". Many believe that the law, which does not define indecency, should be reconsidered.

Supasnap, the high street developing and processing chain, has been consulting with the Crown Prosecution Service and social services over their present guidelines to protect staff and customers alike. They have set up a series of checks within different levels of the company so that several people view the photographs before they are sent to the police.

"What is artistic is always highly subjective and so that is why we put the decision through four stages," said Nick Joslin, Supasnap's marketing manager. "We don't want to put an innocent customer through any

grief."

George Ward, managing director of Bonusprint, another national processor and developer, agreed: "We have a policy that anything that could be construed as at all doubtful is to be referred to the head of security, an ex-policeman. If he has any doubt then it goes to the managing director. I think

you've got to be very, very careful."

It is an offence to print obscene photos that are intended for publication and also an offence to send them through the post. Processing companies can be charged under three different Acts – the Obscene Publications Act 1959, the Postal Act 1969 and Protection of Children Act 1978.

The Photo Marketing Association has been consulting Scotland Yard's vice squad and will amend its guidelines by the end of the month, after the leading processing companies have had a chance to comment.

There are, at present, guidelines for five sorts of photographs, ranging from "artistic" pictures of unclothed men or women (which may be returned to the customer) to photographs of naked children, who are being touched or abused (the vice squad should be called in and the negatives and prints kept safe).

But Frank Hutton, the association's director of UK operations, pointed to a "grey area". "If two naked people are holding hands, obviously there's nothing wrong. You have to use your imagination, look at the legal situation – but also use common sense," he added.

But the fund has said that the sample is not large enough, and the link with quality not clear enough to justify withdrawing cover. As insurers, they say it would be more appropriate to raise premiums according to the number of insurance claims, such as car insurance.

In his letter, which has been seen by the Independent, Sir Thomas says the proposed change must be lawful. In his view, that would only be the case where an insurance scheme was "fair, efficient and actuarially sound" (reflecting the level of risk). He continues: "It would seem to me clear that the indemnity rules may not be used to achieve ends which do not concern the provision of indemnity against loss, but have some other object."

He also warns that the pricing plan might contravene fair trading laws. He says he would welcome a counsel's opinion to the contrary, if the Law Society can produce one.

He outlines his duties under the 1974 Act: "In considering whether to concur in any proposed change of rule, I think it clear that the Master of the Rolls must have regard not only to the interests of the solicitors' profession, but also to the wider public interest."

Reform of solicitors' fees may be unlawful

STEPHEN WARD
Legal Affairs Correspondent

Moves among solicitors to curb cut-price conveyancing to increase their incomes appear to be unlawful, the Master of the Rolls, Sir Thomas Bingham, is to warn today's key meeting of the Law Society's council.

Martin Mears, the Law Society president, is strongly pressing for the introduction of minimum conveyancing fees. This was one of his manifesto pledges when he won the first contested election in 40 years for the solicitors' top office.

Sir Thomas, the senior civil judge, has responsibility under the 1974 Solicitors Act for deciding whether the profession may fix prices, and has asked Mr Mears to give copies of the warning to the members of the society's ruling council.

Opponents of the reform see it as disastrous for the public image of solicitors. One senior council member said some were being scared into backing the plan, even though they disagreed with it, because Mr Mears had threatened they would lose their seats if they blocked it. "If they vote for it anyway, they are cowards."

Mr Mears hopes to have the votes of council recorded for the first time at today's meeting, to make members accountable.

The solicitors plan to enforce higher fees on low-price solicitors by refusing the Law Society's indemnity insurance to members who refuse to charge the prescribed minimum fees. Cheap solicitors would then have to insure themselves on the open market, a far more costly process, and not a real option.

A consultation document prepared by the vice-president of the Law Society, Robert Sayers, for the meeting, argues that firms which offer cut-price conveyancing are cutting corners and making disproportionate demands on the insurance scheme, the Solicitors Indemnity Fund.

The present picture – what subject matter is acceptable and what is not

1. Photographs of unclothed men or women in artistic (non-suggestive) poses may be returned to the customer without comment.
2. If both sexes are featured on a photograph without clothes, these may be passed provided they are not touching. If they are touching, return the negatives to the customer and destroy any prints.
3. If photographs focus unnecessarily on the genitalia, only the negatives should be returned to the customer; the prints should be destroyed and the customer requested not to submit any similar material.

4. If the pictures depict contact between nude people and could be considered of a sexual nature then destroy the prints, ensure the manager locks the negatives in a safe place and invite the customer to visit the laboratory and collect their negatives.
5. If children are featured on the photographs in an unclothed state, look to see if they are relaxed. If they appear uncomfortable or forced or are being touched or abused in any way, take your local vice squad to come and advise you on your course of action. Do not return negatives or prints until they have been cleared.

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4. Patricia O'Connor, *All That Remains*, read by Kate Burton
5. Ruth Rendell, *The Speaker of Mandarin*, read by George Baker
6. Emily Brontë, *Wuthering Heights*, read by Martin Shaw
7. Joseph Conrad, *Victory*, read by Simon Callow
8. Charles Dickens, *David Copperfield*, read by Paul Scofield
9. Graham Greene, *Stamboul Train*, read by Roddy McDowall
10. Harriet Beecher Stowe, *Uncle Tom's Cabin*, read by Ricco Ross
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12. Boris Pasternak, *Doctor Zhivago*, read by Bob Peck
13. James Joyce, *A Portrait of The Artist As A Young Man*, read by John Lynch
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16. Evelyn Waugh, *Scoop*, read by Tony Britton
17. Robert Louis Stevenson, *Kidnapped*, read by David Rintoul
18. T. S. Eliot, *Reading The Wasteland, Four Quartets & Other Poems*
19. Dylan Thomas, *Reading His Poetry*
20. J. R. R. Tolkien, *The Hobbit*, read by Martin Shaw

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Schools inspector blames failings on 'trendy teachers'

JUDITH JUDD
Education Editor

Trendy teachers, rather than a lack of funds, are to blame for poor standards in schools, Chris Woodhead, Her Majesty's Chief Inspector of Schools, says in a pamphlet published today.

In the paper from the right-wing think-tank Politeia, the controversial chief inspector says an extra billion pounds spent on education would not necessarily raise standards.

Don Foster, the Liberal Democrats' education spokesman, said Mr Woodhead was "barney" and accused him of allying himself with the Conservatives. "He is tying himself the whole time to the failing Tory party. If he thinks a billion pounds spent on early-years education won't help both education and the economy, he must be barney."

A billion pounds would pay for pre-school education for all

three- and four-year-olds. The Liberal Democrats say they would put a penny on income tax to pay for better education.

Labour is also understood to be concerned that Mr Woodhead is advancing partisan political views instead of those of an independent chief inspector.

Mr Woodhead says: "We can make significantly better use of the resources currently allocated to education. Would, however, a decision to find, say, an extra billion for education necessarily cause standards to rise? The answer is that it would not."

His pamphlet attacks Judge Stephen Timmins, the former Chief Inspector of Prisons, who said recently that the fact that prisons were full of "basically uneducated" young men was the fault of under-resourcing and class size.

"He is wrong," says Mr Woodhead. "The problem in general is not the special edu-

cational needs of the child. It is the failure of the teacher to teach." If they did, he says, standards would rise, huge sums spent on remedial teaching would be saved, and, if Judge Timmins were right, the prison population would be reduced.

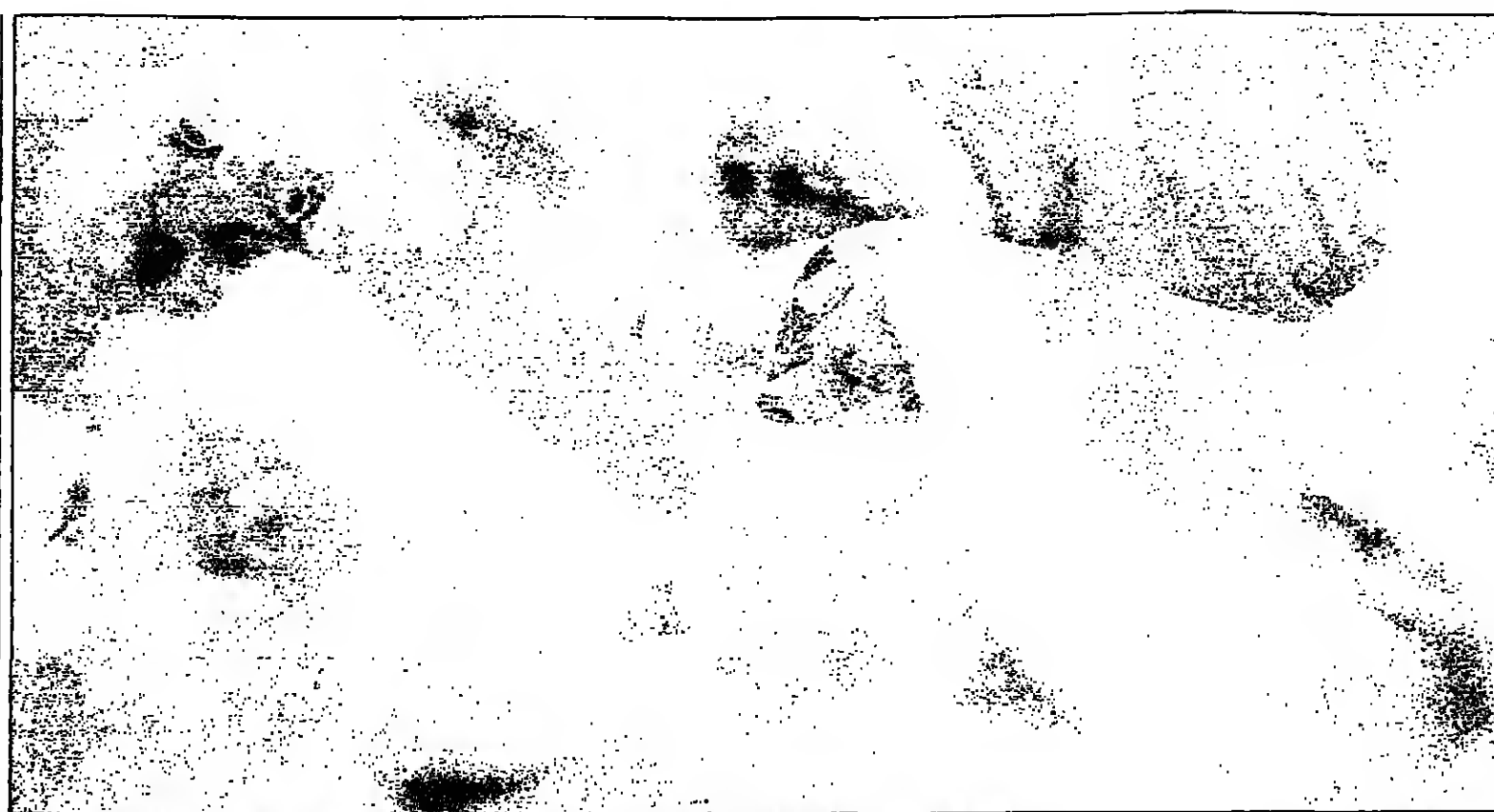
Mr Woodhead says the dogma of child-centred learning which has dominated educational thinking since the 1960s is responsible for pupils' poor results. "To imply that the student can (and should) be left to switch on to the world for himself would be thought disingenuous by some; certainly it is misguided."

The drive to improve standards should ignore "the siren half-truths of those who would do away with subject boundaries and any notion of the teacher as an authority."

The pamphlet questions the existence of local authorities because of the "dependency culture" they create. Good schools, it says, are led by confident heads. Does the very existence of the local authority militate against the exercise of such leadership? it asks.

Mr Woodhead acknowledges there is a case for keeping local authorities but asks whether schools might be better served by commercial agencies.

A Question of Standards: finding the balance; Chris Woodhead; Politeia, 28 Charing Cross Road, WC2 0DB, £5.



Dress rehearsal: Pupils at Britain's first 'School for Santas' preparing yesterday for the big night

Photograph: Edward Sykes

Sado-masochistic sex 'should be legal'

STEPHEN WARD
Legal Affairs Correspondent

Adults should be given immunity from prosecution for sado-masochistic sexual acts between consenting adults, the Government's legal advisers, the Law Commission, argues today.

A celebrated case, known as Operation Spanner, brought the issue to public attention when the police successfully prosecuted several men for acts of genital torture and violence to the anus, penis, testicles and

nipples, where the victims had all been willing participants.

The House of Lords ruled by three to two that the conviction was correct, and the defendants have appealed to the European Court of Human Rights, which will hear the case next year.

The Law Commissioners became the centre of a furore when a Bill based on their recommendations on Family Homes and Domestic Violence came to the attention of Conservative backbenchers who

feared it undermined family values, and had to be dropped. In a virulent campaign, the *Daily Mail* branded the commission a subversive body which should be abolished.

Partly because of that row, the commission - made up of expert barristers chaired by a judge - has taken the rare step

of putting the latest issue, of when consent constitutes a defence to a criminal act, to a second period of consultation which will last until next June.

The commission's paper also reviews the law of consent relating to other areas such as ritual circumcision, cosmetic piercing, tattooing, dangerous sports and martial arts. It recommends that "adults should generally be entitled to make choices for themselves". But it says there should be special rules for the young and the mentally disabled.

Consent and the Criminal Law: Law Commission Consultation Paper 139, HMSO £21.

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politics

MPs voice support for 'Ofbus'

CHRISTIAN WOLMAR
Transport Correspondent

An "Ofbus"-style regulator should be appointed to the bus industry to prevent unfair competition and companies' being driven out of business by predatory practices, an all-party Commons committee recommended yesterday.

The Transport Select Committee, which has published a report on the deregulation of the bus industry, says there have been more complaints to the Office of Fair Trading about the bus industry than about all other industries put together, a total of 541 between 1987 and the end of 1994.

Yet the OFT is seen as too slow and cumbersome to deal with complaints, since often, by the time it has produced a report, a company has been driven out of business. The committee warned that 20 companies remained within municipal control and these were vulnerable to predatory attacks unless there were new procedures to protect them when they were put up for sale.

The report said some companies "had received threats, direct or implied, to keep out of an area or face being run off the road in a predatory retaliation". More common forms of predatory behaviour were to "swamp an area with buses in order to reduce an incumbent's revenue and to cut fares, or even to charge no fares at all".



Wheels of industry: Deregulation has created a boom for some operators, but often at the expense of others

The committee highlighted the case of Darlington, where Stagecoach, Britain's biggest bus company, ran a free bus service in 1994 in order to drive the local municipal bus company out of business. Stagecoach also poached drivers by offering them a signing-on fee and although the Monopolies and Mergers Commission later

called Stagecoach's activities "predatory, deplorable and against the public interest", by then, the municipal bus company had gone bankrupt.

Buses were deregulated outside London by the Transport Act 1985. The committee found that: "The effects of bus deregulation have been very uneven throughout the country."

Since deregulation, three or four big bus groups have grown through acquiring smaller companies around Britain. The committee heard evidence that there were suspicions that these big groups were deliberately avoiding competing with each other. The OFT said there was an "apparent reluctance of the major operators to engage in direct competition with other

larger companies by invading their territories." However, the large companies had been very aggressive in taking over smaller firms.

The industry body, the CPTI, opposed the creation of a regulator, which would "simply add an unnecessary and wasteful layer of bureaucracy".

Speaker joins anger at asylum benefit cut

Speaker Betty Boothroyd may have collected another black mark with her critics on the Tory benches yesterday when she gave extra latitude to protests at the Government's handling of benefit cuts for asylum seekers.

Social Security orders withdrawing benefit from some 13,000 asylum seekers come into effect on 8 January, but the procedures used leave MPs scant chance to debate the move. David Alton, Liberal Democrat MP for Moseley Hill, has written to the Speaker complaining of a "blatant abuse of Parliament".

Normally at least 18 days are allowed between orders being laid before Parliament and their implementation. The orders are expected to go down on Monday, but MPs break for Christmas two days later and do not return until 9 January.

Thousands of refugees will by then have been left penniless. Mr Alton said the burden would fall on charities and local authorities as an estimated 10,000 people were made homeless.

The benefit clampdown is part of the controversial Asylum and Immigration Bill. It is now before a standing committee but it will be weeks before the clauses are considered. Labour MP's Max Madden and Paul Flynn joined the protests. Parlia-

ment was being treated with "outrageous" contempt.

Replying to the points or order, Miss Boothroyd said she had allowed more than one MP to speak because of the seriousness of the situation. The chair could not interfere with the Government's use of its order making power, she said, but then added: "I hope the strong

bearing on people's eligibility to serve their country - a view hotly contested by service chiefs.

Intervening on Nicholas Soames, the armed forces minister, he asked: "Will you accept that homosexuals are just as likely as anybody else to be highly competent and professional members of the armed services and that their sexuality should have no bearing on their eligibility to serve their country, and will you legislate to that effect?"

Usually robust in his view that homosexuality is incompatible with service life, Mr Soames said the committee on the Bill would be able to debate the issue.

Inside Parliament
Stephen Goodwin

expressions which have been made in this House will have been noted by those on the Treasury front bench." In Speaker language it was a clear message of disapproval.

A plea for a lifting of the ban on homosexuals serving in the armed forces was made by Alan Howarth, the Stratford-upon-Avon MP who defected from Tory to Labour in October.

As MPs debated the Armed Forces Bill, renewing the forces' discipline Acts, Mr Howarth said sexuality should have no

overturn is the new "British disease", Denis MacShane, Labour MP for Rotherham, said as he initiated a short debate on the impact of work on family life.

The father of four said that last year nearly 69 million hours of overtime were worked weekly in Britain, equivalent to nearly two million jobs. Calling for a "family and work law" to ban excessive working hours, he said: "Today we find we have time for nothing except to slave for the re-exalted god of Mammon, which the Conservatives have set above us, where the making of money is far more important than the making of a family or a community."

NI arms group starts work

DAVID MCKITTRICK,
Ireland Correspondent

The first track of the twin-track approach in the Northern Ireland peace process is to be launched tomorrow when the international body on decommissioning begins work in Belfast.

The establishment of the three-man body, headed by senior American politician, George Mitchell, was announced at a recent Anglo-Irish summit by the British and Irish governments.

Its task is to prepare a report by mid-January on the question of paramilitary arms. In the meantime the second track will open shortly as the two governments hold preliminary

discussions aimed at opening all-party talks by the end of February.

The Northern Ireland Secretary, Sir Patrick Mayhew, is expected to outline the British government's position to Mr Mitchell and his two associates, a Canadian and a Finn, tomorrow.

There is keen interest in whether the international body will be able to find some way of reconciling the IRA's flat refusal to hand over any guns at this stage with the Government's insistence that some arms should be decommissioned before Sinn Féin can enter full talks.

The international body will be hearing from the political parties and "other relevant

persons" over two days. On Sunday its members are to move on to Dublin where they will meet representatives of the Irish government and others.

In Dublin they are also expected to meet Sinn Féin. Last week the IRA put down a marker that its position had not changed by announcing: "There is no question of the IRA meeting the ludicrous demand for a surrender of IRA weapons either through the front or the back door."

Meanwhile, a busy round of political talks over the next 10 days is expected to include a number of inter-party meetings and visits to Belfast and Dublin by the Prime Minister, John Major.



Mayhew: Set to outline Government's position

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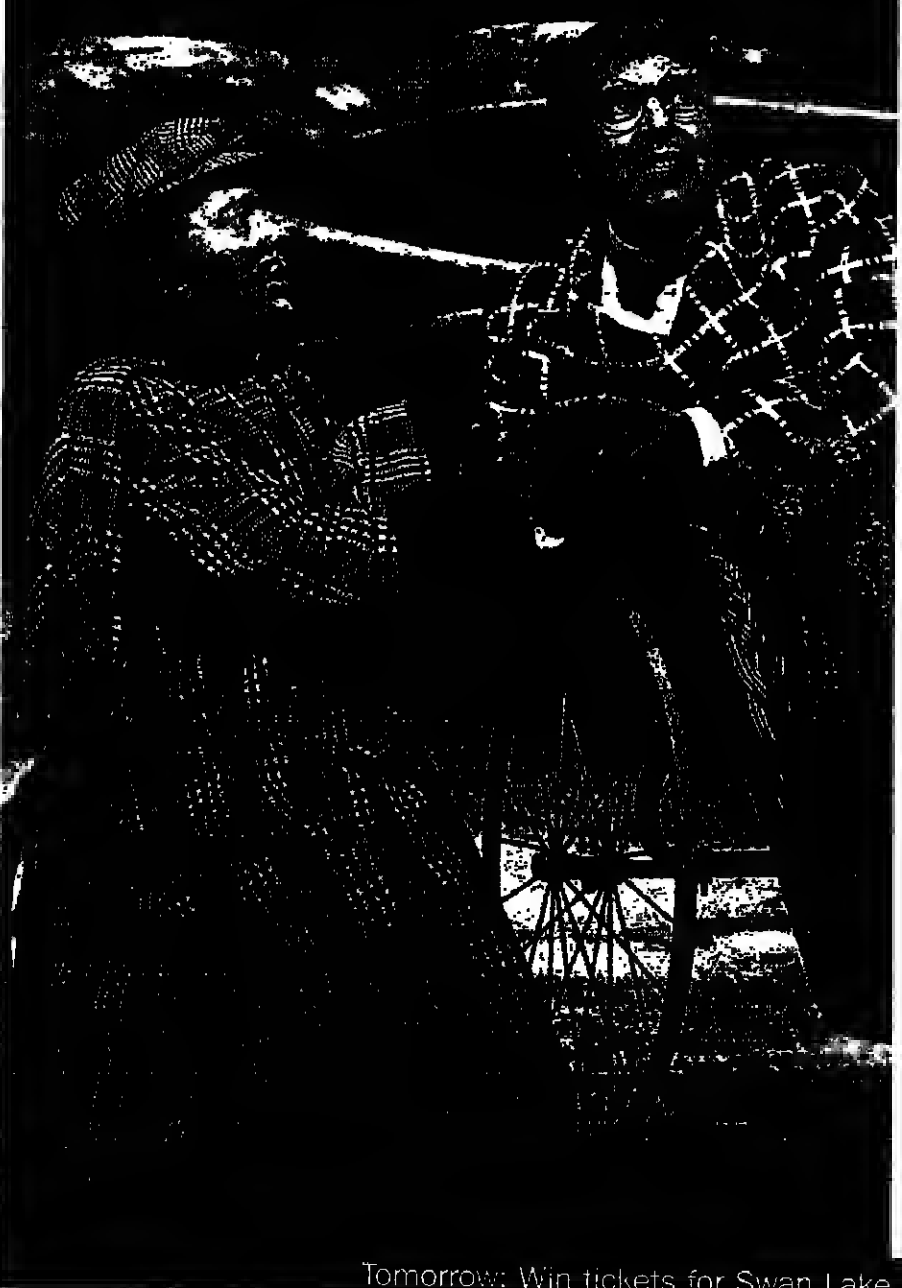
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Arms firm gossip was of weapons for Iran

CHRIS BLACKHURST
Westminster Correspondent

Shopfloor staff at BMARC, the company where the MP Jonathan Aitken was once a non-executive director, gossiped that weapons shipped to Singapore were really bound for Iran, an influential group of MPs was told yesterday.

Mr Aitken has strenuously denied he was ever aware Iran was the true destination.

William McNaught, the company's former managing director, said in answer to the Commons Trade and Industry Select Committee inquiry into how naval guns made by BMARC were sent to Iran in defiance of an arms embargo, that it was "shop-floor gossip" the guns were going to Iran.

Mr McNaught also admitted that he had had doubts that the 140 guns, under a deal known as project Lisi, were not intended for Singapore. In a statement, he told the MPs: "It was understood within BMARC that the quantity of weapons involved in project Lisi was far in excess of Singapore's national needs and that they would be exporting the majority of their products."

Despite that, Mr McNaught said he was never aware that the Lisi guns might be destined for Iran. He maintained no information from a government department - Foreign Office, Department of Trade and Industry, Ministry of Defence or the intelligence services - saying the Lisi guns were going to Iran had ever reached him. This was despite an intelligence report linking the BMARC

weapons with Iran having been sent to the MoD and Mr McNaught receiving briefings from the security services. These briefings, he said, did not cover Lisi.

Roger Berry, MP, said he failed to understand how Mr McNaught could run a company selling equipment to Singapore, doubting that was their real destination and yet fail to investigate where they were really going. "You can get paranoid over these things," said Mr McNaught.

As for the shop-floor gossip, he assumed that had stemmed from workers seeing photographs of the guns in Iran in defence magazines.

Earlier, MPs quizzed Gerald James, a former BMARC director and chairman of its parent company, Astra Holdings. Mr James stuck to his oft-repeated charge that BMARC directors did know that the guns were bound for Iran and that Mr Aitken was present at board meetings when the Lisi contract was discussed.

Asked how he knew directors were aware Iran was the real end-user, he replied: "It was common knowledge. It was quite openly stressed."

Mr James stressed he relied entirely upon the assurances of Major-General Donald Isles, a fellow BMARC director with close MoD connections, that the Government was aware of, and had approved, the sending of the naval cannons to Iran.

Mr James said he could offer no documentary evidence to back-up his claims since his papers had been seized by MoD police and not returned.

Student loans staff face curb on perks

The head of the Student Loans company had his contract renewed for a further five years after allegations of financial impropriety were made against him. MPs were told last night, writes Frau Abrams.

Claims against Ron Harrison, its chief executive, were made in October 1992, more than two years before he was sacked for financial misdealings. Mr Harrison faced the claims that he misused expenses and that he took his wife and secretary out at the company's expense.

An investigation in 1992 dismissed allegations made in

anonymous letters, but in January 1994, a further report by Coopers & Lybrand proved some of the claims to be true.

Now staff perks such as private medical insurance, company cars and petrol allowances, have been withdrawn from new staff, the Commons Public Accounts Committee heard.

An ombudsman who was paid £5,000 per year but who only received one student's complaint in four years, is to be replaced on a smaller fee. The company could also cease to be a private concern and become a government department.

Euro-time debate: Government scuppers bid to bring Britain in line with continental hours



Light relief: Farmers in the Highlands will be able to have extra daylight

Photograph: Colin McPherson

Scots win day over daylight

The Cabinet yesterday bowed to strong Scottish opposition by deciding to withhold government backing from a Private Member's Bill seeking to give the United Kingdom an extra hour of afternoon daylight, writes Donald Maciartyre.

In a severe blow to John Butterfill, the Bournemouth West, Tory MP who yesterday introduced the Bill, the Cabinet agreed yesterday not to give the Bill the extra government time it would almost certainly need to become law. The Bill will be taken on a free vote but now looks increasingly doomed.

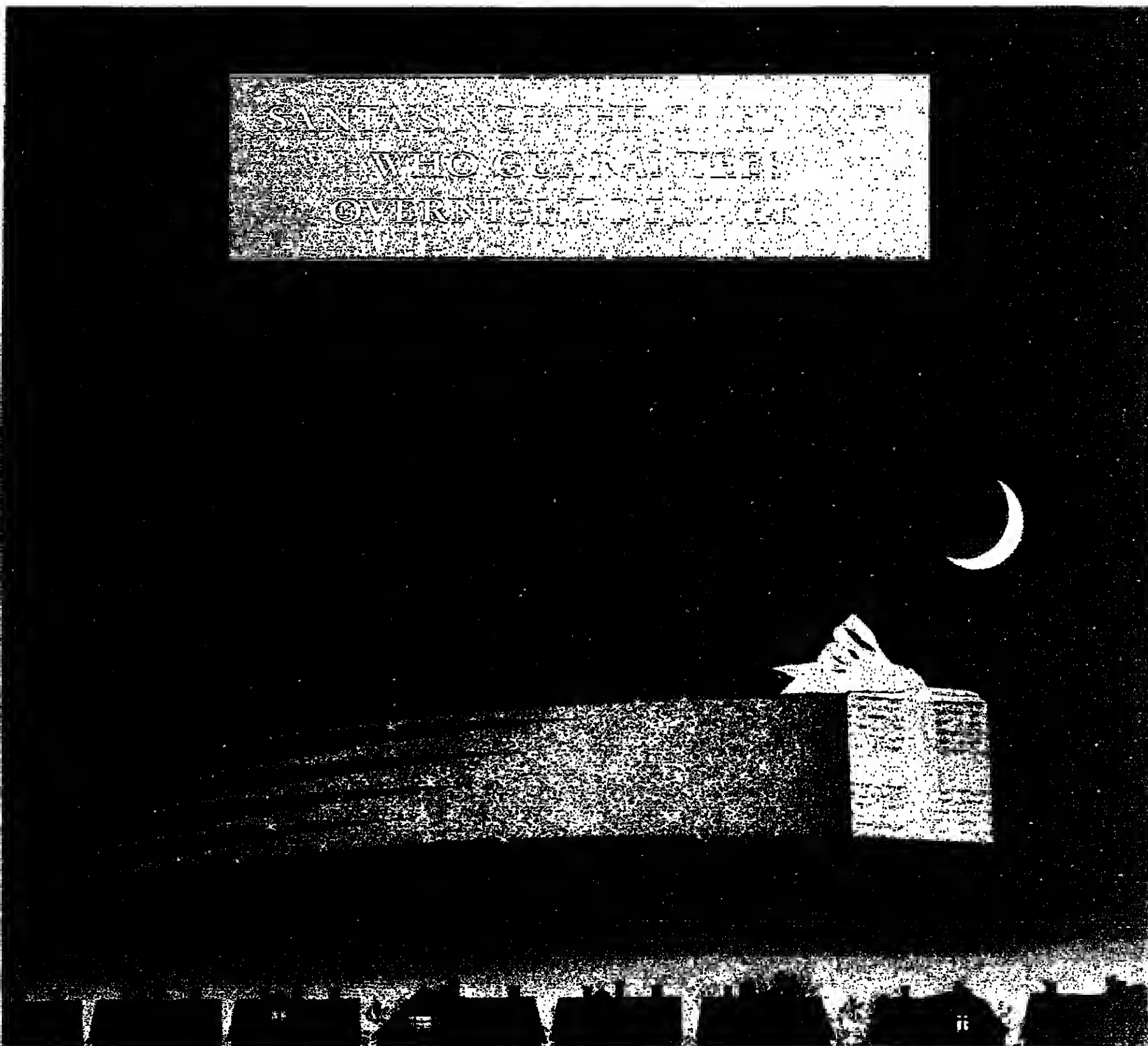
Scottish hostility was based on the fact that it would have meant an extra hour of morning darkness in the winter which has a particularly adverse impact on adults going to work and children going to school, especially in the North. There was also opposition in Northern Ireland.

The decision amounts to a

victory for Michael Forsyth, the Secretary of State for Scotland, who had lobbied hard against a powerful coalition of Cabinet opinion in favour of bringing the UK into line with European time. He is understood to have had the backing of both Malcolm Rifkind and Ian Lang, both of whom have Scottish constituencies.

Other ministers - including, it is believed, Kenneth Clarke, the Chancellor, and Michael Heseltine, the Deputy Prime Minister, and Michael Howard, the Home Secretary were strongly in favour.

The decision illustrates the increasing sensitivity of Scotland as a political issue for the Government. An alternative proposal - that Scotland should be kept on a separate time zone - was also strongly opposed by Mr Forsyth on the grounds that it could be seen as undermining the Government's commitment to the Union.



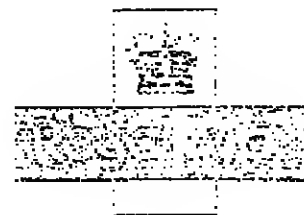
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China dissident trial: Pro-democracy activist stands firm as Peking court hands down 14-year sentence for sedition



Cold front: Police forming a cordon to keep Western journalists away from the court where Wei Jingsheng stood trial

Photograph: Reuters

Tough sentence for defiant Wei

TERESA POOLE
Peking

For 20 minutes yesterday, inside a heavily guarded Peking courtroom, China's leading pro-democracy dissident, Wei Jingsheng, rejected the charge that he had conspired "to subvert the Chinese government". But it took the three judges less than five hours to convict Mr Wei and sentence him to 14 years' imprisonment, after prosecution evidence that he had invested in a Chinese credit co-operative, planned art exhibitions and published articles in an attempt to "overthrow the dictatorship of the people and split the country".

Mr Wei's brother and sister were allowed to attend the proceedings but guards prevented the defendant from speaking to them. Since his detention on 1 April 1994, Mr Wei's family had been unable to establish his whereabouts. Wei Xiaotao said his 46-year-old brother looked thinner, but had waved, and

smiled in court. But the trial had to be suspended for nearly half an hour, he added, when the defendant suffered an attack of high blood pressure, information that will raise fears about the state of Mr Wei's health. No film footage was broadcast on the main evening television news announcement of Mr Wei's "crimes", but photographs released by the government news agency showed an expressionless figure sitting in a chair in the courtroom.

Mr Wei denied the accusations in a vigorous 10-point defence, delivered seated, in which he said "all my activities respected the Chinese law". His two lawyers argued that evidence had been extracted from old letters and articles, and been quoted out of context. In what must have been extremely painful for Mr Wei, the only prosecution witness was his former close assistant, Tong Yi, who was sentenced last year without trial to two-and-a-half years "re-education through labour". She was certainly put under immense pressure to testify.

The harsh sentence will act as a reminder to Chinese people that the government still refuses to tolerate any pressure for political change. Mr Wei is the most prominent symbol of China's stifled pro-democracy movement. He was a leading figure in the Democracy Wall protests of the late Seventies and in 1979 was sentenced to 15 years after demanding a "Fifth Modernisation" - democracy. When he was released on parole in September 1993 as part of China's campaign to win the 2000 Olympics for Peking, Mr Wei immediately resumed his calls for political reform and greater human rights, as well as trying to raise money for the families of those killed in the Tiananmen Square massacre of June 1989.

International condemnation of Mr Wei's sentence was swift yesterday. A British embassy official expressed "shock and dismay". The US, Germany and Australia were among other countries to protest against the verdict. Analysts in Peking commented that the trial has coincided with renewed rumours about the health of China's 91-year-old patriarch, Deng Xiaoping, and that Mr Wei's conviction has confirmed the tough line on dissidents ahead of the transitional period.

With Peking blanketed by the first snow of winter, the No 1 Intermediate People's Court was ringed by soldiers and plainclothes public security officials from early morning yesterday. Despite earlier government assertions that the trial would be "open", foreign

reporters and onlookers were barred from getting close to the court compound, and only hand-picked Chinese were allowed to observe proceedings.

The Chinese government case against Mr Wei included extraordinary accusations about the dissident's alleged fundraising activities. In court, prosecutors charged that he had purchased a 12 per cent stake in a Chinese credit co-operative as part of plans to create a funding institution for pro-democracy activities. Further money "for his subversive cause" was to be raised through art exhibitions. According to Chinese state television, Mr Wei had also published articles in the foreign media attacking the Chinese government, asked foreigners for "hundreds of thousands of dollars", and consorted with other dissidents while out on parole, including Wang Dan, one of the June 1989 student leaders. "He exchanged signals with anti-China organisations abroad to overthrow the dictatorship of the people and split the country," the prosecutors said.

Mr Wei gave a very different interpretation of events. He said that his efforts to raise money to help Tiananmen mas-



Wei Jingsheng: concern over state of his health

sacre victims had been "from a humanitarian point of view, and was not subversive", according to his brother's report of the trial. As for his articles, Mr Wei was reported to have said: "My articles were faxed abroad with the government's permission and cannot serve as proof of the crimes of which I am accused."

During his six months of freedom between September 1993 and April 1994, Mr Wei was adamant that he would never leave China, even though other dissidents have in recent years been granted asylum abroad.

In sentencing Mr Wei, the judges also stripped him of his political rights for three years, a common procedure with Chinese dissidents and one which can create problems for the families.

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Words are cheap in Hong Kong newspaper war

STEPHEN VINES
Hong Kong

Not only are Hong Kong newspaper publishers prepared to earn nothing from selling their papers, one publisher is actually paying vendors to sell them.

The newspaper price war that brought about this crazy state of affairs broke out in earnest at the weekend but has its roots in the June launch of the brash and innovative *Apple Daily*. Alone among the mass circulation dailies, it says it will stand up to bullying from China and now claims to be outselling all other papers in the colony.

On Saturday the established market leader, the *Oriental Daily News*, announced it was slashing its price from HK\$5 (4p) to HK\$2 (1.5p); it was quickly followed by all the other mass-circulation papers, with one exception. However the *Hong Kong Daily News* went a step further and dropped its price to a mere HK\$1. Previously all newspaper prices were controlled at the same level by an informal cartel. At this price the *Daily News* is having to pay vendors HK\$0.75 for every copy sold.

The Oriental Press Group, publisher of the *Oriental Daily News*, says it started the press war "to reward readers on our 28th anniversary".

This version is not accepted by a senior executive at *Sing Pao* newspaper, who said his paper was forced into price-cutting after the *Oriental Daily News* launched the price war because it can no longer tolerate the

threat posed by *Apple Daily*. "They want to retain their market leadership," he said.

Apple has responded by knocking just HK\$1 off its HK\$5 cover price, promising to freeze it at that level until 1997, "unless the situation gets much worse", said Loh Chan, the paper's editor.

His paper is a mixture of sex and crime stories, alongside hard-hitting political commentary and some of the best news reporting in Hong Kong.

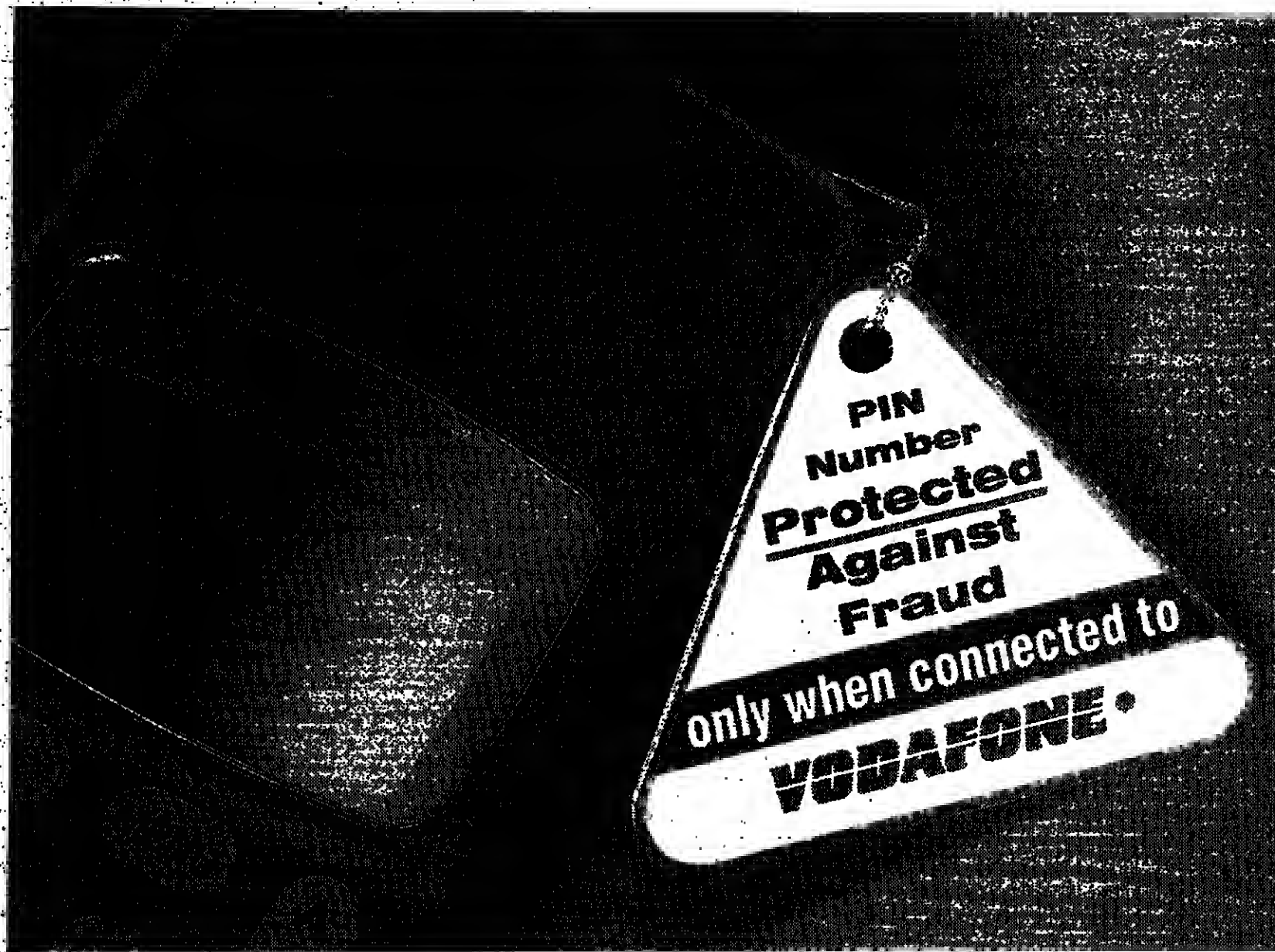
The paper's publisher is Jimmy Lai, the former retail clothing tycoon. He has been one of the Chinese government's least favourite publishers since he wrote a blunt, insulting article about the Chinese Prime Minister, Li Peng.

China's dislike of the new paper was signalled as soon as it was published and *Apple* reporters were banned from covering a meeting of Hong Kong policy advisers in Peking.

The paper has proved there is a strong market for a publication prepared to consistently criticise both China and Chinese officials. The extent of its popularity has led to rumours that China will close *Apple* after it resumes sovereignty over Hong Kong in 1997.

Meanwhile, the price war is sending the shares of newspaper companies through the floor. Ken McKenzie, publisher of local trade magazine *Media*, said: "I just don't think a price war at a time of rising newspaper prices makes sense for a prudent business, but there's a lot of passion in newspapers."

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Fear of future wars hangs over treaty

TONY BARBER

Paris

Europe's most violent conflict since the Second World War will be officially declared at an end today when a peace treaty for Bosnia-Herzegovina is signed at the Elysée Palace. In an effort to consolidate the settlement, foreign ministers of Serbia, Croatia and Bosnia met outside Paris yesterday to discuss mutual diplomatic recognition.

Such a step would in theory increase chances of a lasting peace, as it would indicate that Serbia and Croatia had abandoned the idea of carving up Bosnia between them. However, as delegations from Europe, North America and the Islamic world arrived, the mood was one of self-congratulation rather than of misgivings.

The settlements, reached after three weeks of US-brokered talks last month in Dayton, Ohio, represent a compromise between the ambitions of Bosnia's Muslim-led government, the Bosnian Croats and the Bosnian Serbs. In accordance with the government's wishes and those of the world at large, the settlement preserves Bosnia as an independent state in its pre-war frontiers but it weakens the application of this principle by of-

ficially dividing the country into a Muslim-Croat federation and a Bosnian Serb republic.

To make a reality of the agreement, a 60,000-strong Nato-led force, including troops from Russia and about 10 other non-Nato countries, will be deployed in Bosnia, probably starting on Monday. Britain is contributing 13,000 troops, the United States 20,000 and France about 10,000.

Nato governments say their forces will remain in Bosnia no longer than a year, during which time the aim is to forge a comprehensive arms-control regime for the former Yugoslavia, put together an economic-reconstruction programme, help two million refugees return home and arrange free elections in Bosnia.

Presidents Slobodan Milosevic of Serbia, Franjo Tudjman of Croatia and Alija Izetbegovic

of Bosnia will sign the treaty knowing that several of the most explosive disputes dividing them since 1991, when the Yugoslav wars broke out, remain unsettled. For Mr Milosevic, a particularly difficult issue is eastern Slavonia, an enclave of Croatia bordering Serbia which was seized by Serb rebels, backed by the Belgrade Yugoslav army, in 1991.

Under a deal done on the sidelines of the Dayton accord, Croatia is to regain control of eastern Slavonia in a maximum of two years. But it remains in question whether the Croatian government is willing to grant genuine autonomy to the Serbs of the region, or whether it is biding its time until it can expel the Serbs by force, as it did last May and August to the Serb communities of western Slavonia and the Knin Krajina. The Serbs of eastern Slavonia are

showing every sign of resisting the return of Croat and other non-Serb refugees driven out since 1991. Their objective seems to be the maintenance of the artificial Serb majority created in the region over the past four years, so that eastern Slavonia remains under de facto Serb control with the closest possible ties to Serbia proper. In Bosnia, a main point of disagreement is the Brcko corridor, connecting Bosnian Serb possessions in northern and eastern Bosnia. The Bosnian Serbs want it widened to enhance their security but Croats in the area have protested in recent weeks because they stand to lose land in the nearby historically Croat region of Posavina. The dispute could not be resolved in Dayton and is going to international arbitration. Whatever the judgment, it is likely to implant a desire for revenge in one camp or the other.

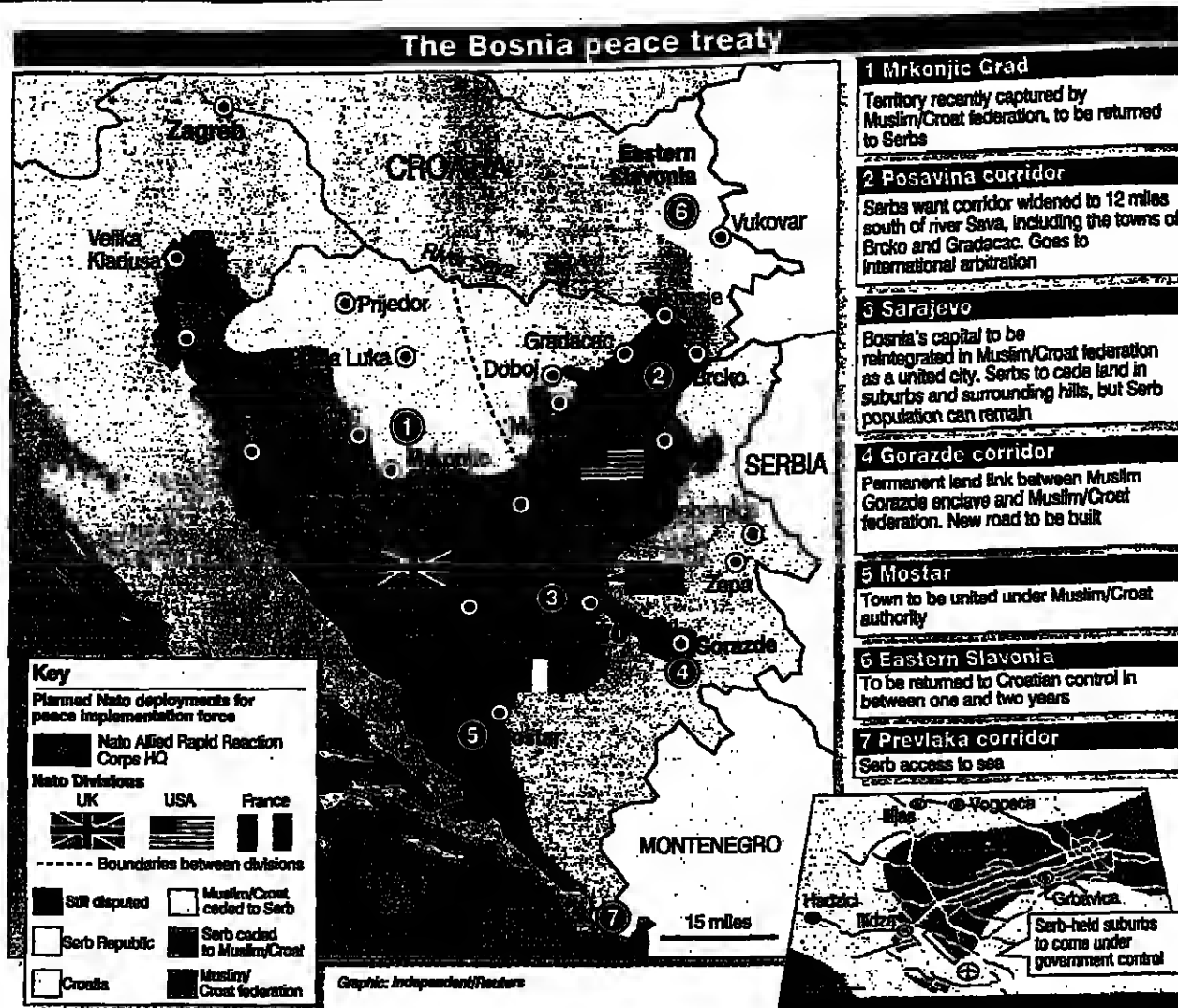
Uncertainty also surrounds the future of Sarajevo, where several districts in Bosnian Serb hands are to be handed over to the Muslim-Croat federation. If the settlement is to uphold the principle of mutual national tolerance rather than countenance the enforced separation of each Bosnian nationality from the other two, it is vital that Serbs in the rebel sector of Sa-

rajevo should not abandon their homes for the 49 per cent of Bosnia allocated to the Bosnian Serb Republic. The difficulty in restoring even a modicum of trust has been demonstrated in the Muslim-Croat federation,

where the southern city of Mostar remains divided into two sectors two years after Muslims and Croats stopped fighting. Many Muslims are unconvinced Croats in western Herzegovina have given up hope of uniting

their land with Croatia. It is equally clear that Bosnian Serb leaders view the accord as temporary, to be replaced one day by unification of all Serb lands. Radovan Karadzic and Ratko Mladic may never stand trial in

a UN court for alleged war crimes but even if they stepped down, their replacements are more likely to seek closer relations with Serbia than to rebuild Bosnia in co-operation with the Muslims and Croats.



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IN BRIEF

San Francisco to get its first black mayor

San Francisco — Willie Brown, the powerful former Speaker of the California Assembly, easily defeated the incumbent, Frank Jordan, in a run-off election and will become the city's first black mayor next month. In Chicago, Jesse Jackson Jr, 30-year-old son of the civil rights leader, celebrated a landslide victory over his Republican opponent, the lawyer Thomas Somer, in an election to the House of Representatives. AP

Bones unearthed at Che Guevara site

La Paz — Searchers found human bones and a skull near the site in Bolivia where the guerrilla leader Che Guevara is believed to be buried, but will take at least a week to identify the remains. The government ordered the dig after two retired army generals involved in Guevara's capture and burial disclosed last month that the guerrilla leader and some of his followers were buried under an airstrip in southern Bolivia. AP

BBC newsman shot dead in Tajikistan

Moscow — A 50-year-old Tajik journalist, Molyedodin Alempour, who reported for the BBC's Persian Service from Dushanbe, the Tajikistan capital, has been shot dead outside a city park. Nearly 40 journalists have been killed in the former Soviet republic since 1992. AP

Papandreu fights off his fever

Athens — The 76-year-old Greek Prime Minister, Andreas Papandreu, was in a stable condition, fighting an infection with antibiotics and breathing without the help of a respirator, a hospital bulletin announced. He was still undergoing dialysis for his failing kidneys, but no longer had a fever. Reuters

Swiss release Mexican drugs suspect

Berne — The Swiss authorities have released Antonio Castanon, one of two suspects held in a drugs and money-laundering case allegedly linked to the former Mexican President, Carlos Salinas de Gortari. He is the brother of Mr Salinas's sister-in-law Paula, who was arrested with him and remains in custody. Reuters

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Chirac 'spook' was key to release of pilots

TONY BARBER
Paris

A former French intelligence agent, acting as the personal envoy of President Jacques Chirac, played a key part in securing the release of two French airmen from Bosnian Serb captivity, Western officials said yesterday.

Jean-Charles Marchiani, a Corsican who now holds the senior government job of prefect

in the Vars department of southern France, secretly visited Belgrade at the end of last week. His mission became public knowledge when he returned with the captives on Tuesday to the military airport at Villacoublay, west of Paris. Mr Chirac, who was at the airport made a point of calling out to Mr Marchiani: "Bravo, bravo."

The President evidently selected Mr Marchiani for the mission because of the former

agent's experience in handling hostage crises. An intimate associate of Charles Pasqua, a fellow Corsican and former interior minister, Mr Marchiani was involved in efforts to free French hostages in Lebanon in the 1980s.

Liberation speculated that Mr Chirac's decision to use Mr Marchiani had angered the government, especially the foreign and defence ministries, which might have viewed the

mission to Belgrade as an unacceptable form of "parallel diplomacy". Mr Pasqua, when in government, and Mr Marchiani were once criticised for taking foreign policy initiatives, particularly in relation to Islamic countries, that went beyond their official responsibilities.

However, if the government was surprised by Mr Chirac's activation of Mr Marchiani as an alternative diplomatic channel to the Serbian leadership, it was

giving nothing away yesterday. The Foreign Minister, Hervé de Charette, said: "The plan was to have as many contacts as possible and Mr Marchiani was part of that effort."

The airmen, Captain Frédéric Chiffot and Lieutenant José Souvignat, were shot down near the Bosnian Serb headquarters of Pale on 30 August as they took part in Nato air strikes against Bosnian Serb targets. The Defence Minister,

Charles Millon, said yesterday that France would have refused to sign the Dayton peace treaty if they had not been freed in time for today's signing ceremony in Paris.

He also said France would have insisted that United Nations sanctions on Serbia, imposed because of Belgrade's role in instigating the wars in former Yugoslavia, should not be lifted in their entirety. As events turned out, the Serbian

president, Slobodan Milosevic, once again demonstrated his ability to bring the Bosnian Serbs into line by helping France's efforts to free the airmen.

French officials suggested that the successful outcome owed most to the work of three presidents - Mr Chirac, Mr Milosevic of Serbia and Boris Yeltsin of Russia. Although Mr Yeltsin is still in a sanatorium outside Moscow recovering

from a heart attack, Mr Chirac said the pilots would not have been released without his assistance.

The French praise for Mr Yeltsin contrasted with the lukewarm view taken of US efforts in the crisis. Playing down the role of President Bill Clinton and his special envoy, Richard Holbrooke, French officials said the US had not been primarily responsible for securing the pilots' freedom.

A chance for harmony amid the Mostar ruins

EMMA DALY
Mostar

Among the ruins of east Mostar, where buildings lie shattered and children pick their way among the rubble, music offers a path to some kind of harmony among the people of the city. In a small (but intact) room amid the bombed-out ruins of a hotel, a group of children sing, their voices rising to a crescendo of cheers and laughter, a music lesson for pupils of the special school.

Nigel Osborne, professor of music, composer and critic for the Independent, has poured his energies into building a music centre in Mostar, a means not only to restore the civilisation of the city but also to advance into the next century. At present the centre is a facade, the interior gutted by the relentless fire from the west bank of the Neretva river, where Bosnian Croat militiamen made war on the people of the east-most of them Mostar. Rebuilding will soon begin. Meanwhile, Mr Osborne, in conjunction with the charity WarChild, one of four charities supported by the Independent's Christmas appeal is addressing the project's human needs.

The centre will have a tripartite mission: education, mu-



sic therapy and a state-of-the-art recording studio. This last facility is hoped to attract bands and orchestras from all over the region, bringing an economic boost to east Mostar and, perhaps, persuading those in the west that there is at least one good reason to repair relations with former neighbours.

The educational aspect is already working, based on the new Bosnian curriculum, which requires an hour of music study a week. Mr Osborne and WarChild have run refresher courses for music teachers at primary schools in Mostar and are distributing to schools the instruments needed in the curriculum. There are plans afoot for Bosnian professors to visit British universities and vice-versa. Music teaching locally will focus on children of primary age and a few of the very talented. "Last and perhaps most important is the planned music therapy department. In Mr Osborne's vision it will combine a



Beating the drum for peace: A boy at the music therapy centre now being built in Mostar

Photograph: Keith Bram

clinical practice with a research and training department. Music therapy is a newish practice but gaining ground all the time among the medical profession. Bosnia has all too many potential patients. "Most of the broken heads here have been sewn up and rehabilitation will be the priority," he said. He hopes that potential therapists will want to study in Mostar.

Musicians are raising funds for the centre. Luciano Pavarotti, who has already given WarChild \$300,000 (£196,000), is to present another cheque for \$150,000 next week, from sales of a CD, "Pavarotti and Friends", recorded at a concert in Modena. The centre also will benefit from sales of "Miss Sarajevo", a single by Pavarotti, Bono and Brian Eno.

While the Help Bosnia CD, recorded in 24 hours last summer, was primarily aimed at raising money for medical and food aid, some profits from the recording will go to the Mostar venture. Sales and profits of the disc, which featured members of Blur and Oasis, Paul McCartney and Paul Weller, have far outstripped expectations. Perhaps music might seem a

frivolous way to help a country of refugees, of wounded, hungry and bereaved - yet Bosnia needs food for the soul, too. WarChild ran a bakery in east Mostar, providing more than a million loaves of bread to its inhabitants. WarChild still delivers food aid. But now, the agency argues, there is a need to expand beyond the material. "Here what's needed is a cul-

tural regeneration," said Jonathan House, the WarChild representative in Mostar. The country's urban educated middle-class has been ravaged by the war (and its rural population uprooted in huge numbers). The cities need to provide the life and opportunities to prevent a second exodus and encourage a reversal of the brain drain. The people of Mostar still

need the basics for survival, but they also need a broader vision for the future, and they do need your money to realise that vision. Once the centre is operating - particularly in the way that Mr Osborne hopes - there will be added incentives to cross the line and play together with former enemies. Only through mutual dependence will Bosnia survive.

Dijana, 12, and Edina, 15, are pupils at the school, standing around giggling after the lesson with Mr Osborne. "It's great," Dijana said. "We like learning songs." It is a kind of therapy, a dose of normality for a people brutalised by war. But perhaps most important, the music centre will not be a humanitarian hand-out but a project that can involve all Bosnians.

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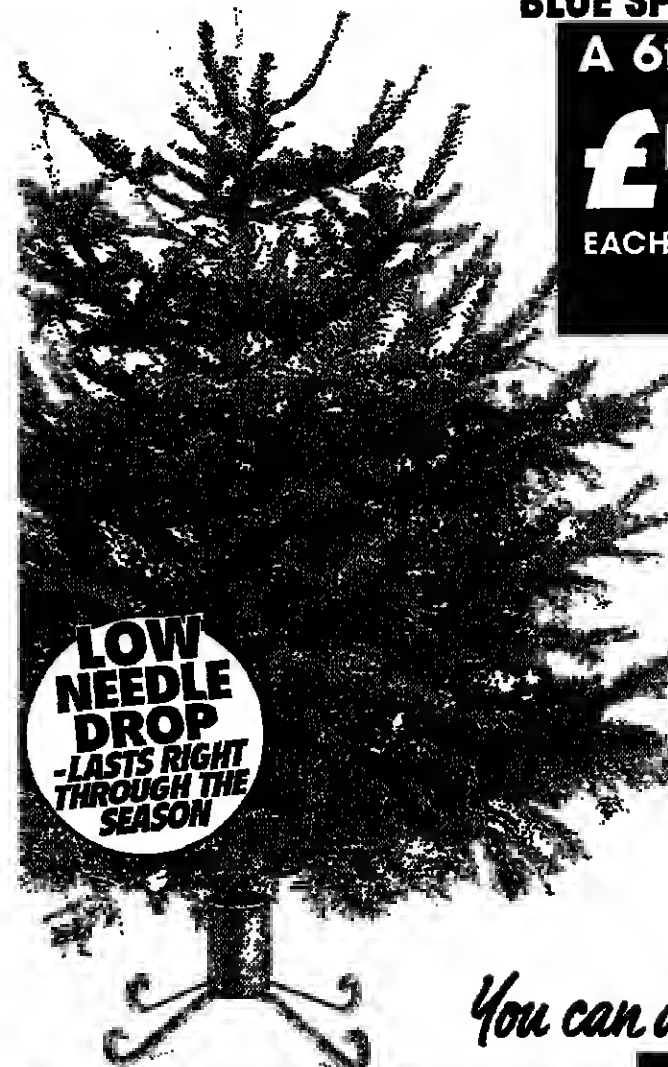
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14
international

France in revolt: Beleaguered Prime Minister tries to bolster position as government denies that reform package is EU-driven

Juppé under fire
from all sidesMARY DEJEVSKY
Paris

The French Prime Minister, Alain Juppé, appeared to be fighting to keep his job yesterday after Tuesday's vast street demonstrations against his welfare reform plans.

Despite renewed support from President Jacques Chirac, who called on ministers to show "firmness and calm", Mr Juppé was the object of widespread criticism, not just from opposition politicians and commentators, but from within his own political grouping as well.

Strikers in the key railway and public transport sectors are still refusing to return to work despite a string of concessions, and the question now being asked is whether Mr Juppé is the problem rather than the solution.

The sharpest comment came from a young Gaullist MP, Philippe Briand, who said - in remarks later denied - "There is a Juppé problem. He is incapable of explaining things... It is not enough to have ideas and work hard. He has no rapport with the population."

Exactly how disastrous Mr Juppé's communications have been was illustrated by a poll

taken for a television discussion programme last night. It showed that barely 40 per cent could identify any of Mr Juppé's 22 reform proposals - despite a concerted publicity effort by the Prime Minister's office.

In an unambiguous effort to bolster his position, Mr Juppé held unscheduled meetings yesterday afternoon with a series of heavyweights from the political right, including two former prime ministers, Edouard Balladur and Raymond Barre, and the former president Valéry Giscard d'Estaing.

He also announced that he would personally chair the "jobs summit" - the agreed designation of the "social summit" demanded by the trade unions, which will take place on 21 December. The most hard line union leaders, Louis Vianet of the CGT and Marc Blondel of the Force Ouvrière, insist they will negotiate with no one except the Prime Minister.

There was a little consolation for Mr Juppé from a poll of employers, most of whom said that he should stand firm, and expressed confidence that the government knew where it was going.

The number of times that

individual union officials said yesterday they had "won" also suggested that a return to work might be only a matter of time.

The question is whether Mr Juppé can wait that long. The balance between the Prime Minister and the protesters seems increasingly fine, with strikers taking new courage from Tuesday's huge protests and Mr Juppé maintaining yesterday that "there is no longer any reason for the strike".

Aside from giving trade union leaders the written confirmation and "further guarantees" they have asked for, the one crucial point he has left to concede is the basic restructuring of the welfare system - something he has ruled out.

The Foreign Minister, Hervé de Charette, vigorously denied yesterday that the welfare reforms have anything to do with the European Union, the Maastricht treaty or the timetable for a single currency. The possibility, however remote, that the protests could unite the public and private sectors of the economy in common revolt against the EU would be the ultimate nightmare for the government of a country that sees itself as the heart of Europe.



Solitary man: The French Prime Minister Alain Juppé after yesterday's cabinet meeting at the Elysée Palace

Photograph: AP

Paris protests
find an echo in
Belgian streetsIn the third of a series on EMU's future,
Sarah Helm finds fear and confusion

Brussels - "Maastricht should not be carried on the backs of the workers," said Claude Schoonbrudt, a green-clad forest ranger who sounded his hunting horn as 40,000 Belgian public-service workers massed near the Place de Brouckere.

"Save our pensions," shouted the postal workers. "No to social-security cuts," chanted the train drivers. By mid-afternoon the centre of Brussels was echoing to the same cries that have been heard throughout France for the past three weeks.

Up on a hill, where the European institutions sit in an isolated cluster, officials were deaf to the protests. As they prepared for tomorrow's Madrid summit, when the 1999 deadline for introduction of the single currency will be reaffirmed, Commission officials insisted the protests in France and Belgium had nothing to do with Europe's drive towards a single currency. The European Union wanted to get "closer to the citizen," said Jacques Santer, the Commission President.

But all the evidence from the streets of Brussels suggested that citizens feel alienated and confused. Belgians, too, are rising up against the economic cuts imposed by their government as part of the effort to meet the Maastricht criteria for the single currency.

For the Belgian government, failure to make the economic grade and being left out of monetary union at the start would be devastating. A founder-member of the com-

munity, Belgium has never voiced - till now - serious doubts about the value of integration, and Jean-Luc Dehaene, leader of the governing coalition, seems determined to win the economic battle ahead.

Belgium's main problem is its public debt, standing at 134 per cent of gross domestic product (GDP). The Maastricht criteria say countries wishing to join the European Monetary Union must aim for debt of nearer 60 per cent, or show significant signs of progress towards that target. The deficit is under better control, and is estimated to be 4.5 per cent of GDP this year, edging down towards the Maastricht 3 per cent target. But with unemployment at 9.8 per cent and slow growth, drastic measures are being imposed to bring the economy into line.

Trade unions say Mr Dehaene plans to slash more than 110 billion Belgian francs (£2.5bn) from the 1996 budget, threatening jobs, pensions and pay.

The revolt in Belgium is not as widespread as in France, nor is it expected to spread so far. The government here is a broad-based coalition including the Socialists, unlike in France, where workers are rising up against the *diktat* of the Gaullist right. But the anxieties being voiced are perhaps equally significant for the future of the European Union, revealing as they do an undercurrent of discontent about Europe in one of most unquestioningly pro-European member-states.

Gun-toting judge
may be outlawedDAVID USBORNE
New York

The decorum of the New York judiciary has been rudely punctured by a bitter feud - punctuated by name-calling and implied death threats - between a Long Island judge and a prominent defence lawyer.

Judge Marc Mogil has never been a figure of conformity. The vanity plate on his car used to read "GUILTY", he has brandished a gun in the courthouse and advertises his passion for flying with a full-size mannequin that stands by his desk dressed in a pilot's uniform.

His days on the bench may be numbered, however. The state judicial commission has formally accused him of harassing the lawyer, Thomas Liotti, by sending insulting and threatening messages. A referee may recommend as early as tomorrow that the judge be disbarred.

The war between the two men apparently began when Mr Liotti, as president of the local Bar association, invited the noted civil rights attorney William Kunstler, who died earlier this year, to speak at a meeting.

Judge Mogil despised Mr Kunstler and began his campaign against Mr Liotti.

Mr Liotti has testified that he began receiving the missives from Judge Mogil about two years ago. They were often signed "Wyatt Earp" and usually bore stamps of cartoon characters.

At first, the messages were simply insulting, addressing Mr Liotti as a "donkey turd". Subsequently, however, one contained a plan of where Mr Liotti lived with an "X" over the position of his house. The message read: "Do you see how easy it is to disappear from the face of the earth, Tommy Boy?"

Mr Liotti may have contributed to the feud with remarks at a swearing-in of judges in Judge Mogil's county. He offered a list of "13 things to avoid to be a good judge". Later, the judge presented Mr Liotti with 30 copies of "13 ways to avoid being an obnoxious lawyer".

Judge Mogil denies the charges. "I love being a judge," he said. "I love having an input into people's lives. I have a wall full of letters from people whose lives I have changed."

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Our Home's future not so sweet

Russian elections: Linked to the government's fortunes, Chemomyrdin's party risks a thrashing

PHIL REEVES
Moscow

Viktor Chemomyrdin put a brave face yesterday on signs that his government-backed party will not fare well in the forthcoming Russian election by stoutly insisting there will be "no U-turn" in the government's reforms - no matter what happens at the ballot box.

Faced with poll after poll which shows that the Communists are considerably more popular than his centrist Our Home Is Russia, the Prime Minister appealed to Russians not to "rock the boat", arguing that the country's fortunes are about to turn the corner.

Next year "must and will become the first year of economic growth" in Russia, he said. "The retreat has stopped, we have started moving forward". Production was improving, inflation estimates were down, a viable banking system had been introduced, and the rouble had strengthened.

Although Mr Chemomyrdin will today notch up his third anniversary as Prime Minister, he has never run for elective office in post-Soviet Russia. The grey former gas industry bureaucrat could hardly have chosen a tougher contest than Sunday's elections for the State Duma, or lower house of parliament.

His difficulty, and that of his party, is simple: most Russians - fed up with worsening poverty and a strong impression that the rewards of free market reforms have been snaffled by a grotesquely wealthy minority - are about as inclined to believe in life-is-not-as-bad-as-it-seems pitch as they are to abandon vodka in favour of goat's milk. In the eyes of many, especially in rural areas, these are the worst of times.

This may explain why Our Home appears to be heading for, at best, a mediocre performance in the election and, at worse, a thrashing. Although unreliable, polls suggest that it will not tally much above 10 per cent; it may even get little more than the 5 per cent required to qualify for a share of the 225 seats in the Duma distributed under proportional representation.

This is not for want of trying. The party was set up in April with the blessing of President Boris Yeltsin as part of a plan to establish two centrist blocs in the hope of drowning out their opponents. In recent weeks its team of professional strategists have been running an expensive and sophisticated campaign aimed at presenting it as a moderate and modern, even hip, alternative to the more traditional image of the Communists and the knee-jerk rhetoric

of nationalists. It is no coincidence that its leaders include Nikita Mikhalkov, the director of the Oscar-winning masterpiece *Burnt By The Sun*.

Our Home campaign colours crop up everywhere - from advertising billboards adorned with Mr Chemomyrdin's grin to features in the Bolshoi theatre and Moscow rock concerts.

No one disputes that the party has a huge drawback in being associated with an unpopular government. But its status as the "party of power" also yields several sizeable advantages. It has plenty of money - the by-product of the support it wields in big business and banking, and among other beneficiaries of privatisation. And it has unrivalled access to the media. In particular, party-linked business interests own 49 per cent of ORI, the state-controlled Russian public television channel.

These perks do not appear to have done much good. Yesterday Mr Chemomyrdin admitted that the government had made mistakes, which it had sought to correct.

There is one final advantage which the party's conspiracy-minded opponents see as potentially significant: the government - and therefore, indirectly, Our Home - controls most of the administrative apparatus that will count the votes.



Brave face: A workman putting the finishing touches to a billboard showing Viktor Chemomyrdin of Our Home Is Russia, which is scoring just 10 per cent in polls

Turkey wins long battle for EU free trade deal

HUGH POPE
Istanbul

From an impromptu party in the foreign ministry to broad smiles of triumph from the Prime Minister, Tansu Ciller, Turkey celebrated the European Parliament's assent yesterday to a long-awaited free trade pact that both sides hope will put Muslim Turkey in a Western orbit. After months in which diplomats wondered if the vote would even take place because of European reservations about Turkey's human rights record, the parliament in Strasbourg voted 343 to 149, with 36 abstentions, to allow the customs union to go ahead from 1 January.

"A new horizon has opened for Turkey. We are now ready to make a giant step forward," said Mrs Ciller, who had pushed through just enough laws to persuade MEPs of her intention to continue democratic reforms. Turkish and Western diplomats who had fought for the pact over 32 years were delighted, too, although one European ambassador wryly said he hoped the promises for the future were "not like Turkish traffic lights, more for decoration than any signal of which direction you can go."

But some changes will be real. Europe already accounts for half of Turkey's trade. The figures are set to rise fast as Turkish exports to Europe increase, especially of textiles, and European imports grow as duties of 10 to 40 per cent disappear. Turkey also will adopt a common customs tariff with Europe. The commission will give some 375 million ecu (£310m) over five years, and further loans worth about 200 ecu are expected as well.

The European stamp of approval also will tempt new investment into one of Europe's lowest wage areas. New patent competition and other laws

that were a condition of customs union have already attracted big companies keen to exploit Turkey's position on the crossroads between Europe and the Middle East, as well as the Mediterranean and the Black Sea.

Even so, Pauline Green, president of the Socialist Group, said many voted yes "with sorrow, with heavy hearts and without enthusiasm". And just as the reluctant Europeans hedged their co-operation round with calls for peace talks with the Kurdish rebels and a new initiative to reunite divided Cyprus, a minority of Turks had their own reservations too.

The concessions, the sellout of Cyprus, the trampling underfoot of our national honour, this will all come later," wrote Emin Colasan, a columnist in the nationalist daily *Hürriyet*. "Europe will send its observers and its demands. They will tell us what to do."

But most of Turkey's 65 million people - 72.6 per cent, according to the English-language *Turkish Daily News* - approve of the free-trade pact, believing it will bring lower prices, closer co-operation and better laws. Many are also determined on full membership of the European Union, even though Turkey's 1987 application was shelved in 1989 and now has been overtaken by Eastern Europe, Cyprus and even Malta.

"We will enter the European Union. We will go there with our mosques. We will make them accept us," said Mrs Ciller, who has made customs union a main plank of her campaign ahead of parliamentary elections which are to be held on 24 December.

Mosque may not be the first thing the Europeans want, but one reason they voted for customs union was to try to shore up the crumbling secular state system that has governed the Turkish republic since 1923.

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Mystery of 'dingo baby' lingers on

ROBERT MILLIKEN
Sydney

They came to clear their names, but when they left court yesterday, the parents of Azaria Chamberlain, the "dingo baby", declared that Australia's longest-running mystery may not be over yet.

Lindy Chamberlain-Creighton and Michael Chamberlain, her former husband, arrived at the Darwin coroner's court yesterday, 15 years after Azaria's disappearance at Ayers Rock, seeking an unambiguous finding that they had nothing to do with her death. They have always maintained that the nine-week-old child had been taken by a dingo, or wild dog.

But John Lowndes, the Northern Territory coroner, delivered an open finding, declaring he was unable to state precisely how Azaria died. Mrs Chamberlain-Creighton, he said, did not kill her daughter, but there was insufficient evidence to conclude that a dingo had done so. Far from putting the case to rest once and for all, as Azaria's parents had hoped, yesterday's verdict has opened it up to renewed speculation.

Lindy and Michael Chamberlain divorced in the wake of the legal, political and media saga that engulfed them in the years following Azaria's disappearance from the family's holiday tent at Ayers Rock on 17 August 1980. Her body has never been found.

Both parents have remarried. Mr Chamberlain, 51, to an old friend and Mrs Chamberlain, 47, to John Creighton, a furniture store proprietor in the United States, where she now lives. Both were in court to hear yesterday's verdict, and both expressed their disappointment afterwards. Mrs Chamberlain-Creighton said: "We're pleased that the coroner has gone one step further in clearing our names. We can't say that we're pleased with the open finding. We're reviewing that at the moment. So, I guess this may not be the end of the case after all, and you may hear from us again."

Mr Chamberlain said: "We wanted a clear statement on how Azaria died and what took

her life. We seem no further advanced on that."

The Chamberlains had asked for this, the third coroner's inquiry into Azaria's disappearance, in order to formally expunge an earlier finding that left open the accusation that Mrs Chamberlain, as she then was, had murdered her infant daughter. The first inquiry in 1981 supported the parents' claims that a dingo had snatched the sleeping child from the tent, and concluded



Lindy Chamberlain and new husband, John Creighton

that a person or persons unknown had intervened to dispose of the body. A second inquiry the following year committed Mrs Chamberlain for trial for murder and her husband for being an accessory. Both were found guilty.

After serving three years of a life prison sentence, Mrs Chamberlain was released in 1986 when Azaria's mattress jacket was found at the base of Ayers Rock, a vital piece of evidence which supported her claim of innocence. Although a Royal Commission inquiry later exonerated the Chamberlains, and their convictions were quashed, the outcome of the second inquiry has never been declared legally void. The Chamberlains finally achieved its burial yesterday. But they wanted more: a ringing declaration that the dingo did it.

So much time and anguish has passed since the fateful night at Ayers Rock, however, that they may have been asking too much of the coroner. Australians will continue to gossip about the Chamberlains and argue about what happened to their baby.

obituaries / gazette

Sir David Lightbown

David Lightbown's main quality was loyalty. He believed in loyalty to the leaders of his party and to the principles of Conservatism. From his days on Lichfield District Council to his translation to Member of Parliament and from there to the government whips' office, Lightbown was a loyal man.

Having been elected as MP for South East Staffordshire in 1983 when he was already 51, he probably thought that he might not be able to enjoy the fullest ministerial career which presents itself to younger men, but his vast experience and attitudes commended themselves; his appointment to the whips' office in 1986 was inspired.

Lightbown was a large man in all respects and possibly the joy to enter the whips' office. He saw the changes in the Conservative Party as new intakes of young MPs arrived after the 1987 and 1992 general elections and our majority dropped, and thought that these new MPs needed to be educated in the ways of Parliament and in the advantages of United Action.

Any new member who fell foul of one of the whips' main commandments, such as mis-

ing an important vote, would receive the benefit of David Lightbown's advice and concern. They might have felt the treatment was robust, but I know of members who are eternally grateful for the way in which Lightbown, having set them on the right course and pointed out to them in no uncertain fashion the transgressions they had committed, then escorted them to the smoking room for a drink and to the Member's Dining Room for a meal: he was a caring and congenial man.

There was a certain political radicalism about David Lightbown. He could not abide hypocrisy and cant, and found socialism in all its forms completely "beyond the pale", though he was just as happy to give the homey advice and hospitality to opponents that he would so willingly provide to one of his own party.

At a time when the "plastic" packaging of politicians has arrived, Lightbown remained an individual. Like a number of us he voted consistently against the televising of the House of Commons proceedings because he believed that it would affect the spontaneity of MPs.

During the Maastricht debate

he was credited in the popular press with, at the least, some robust behaviour towards the recalcitrant rebels. The tabloids called him "The Terminator". The truth is that he was deeply upset by such rebellion when his basic beliefs were so concerned with loyalty. The approach was never as robust as was alleged; and I believe he retained great affection from the "objects" of his activity.

When Lightbown's seniority in the whips' office led him to take on the duties of a Royal Household Officer, this was a source of pride. He was devoted to the Queen and, in the same way that he believed in loyalty to the Leader of the Party and his Government, he believed in loyalty and devotion to Monarchy. He would regale the whips' office with stories of how hard the Queen works and how committed she is to the service of her country. He loved being a part of that.

When there was time to relax, there was no finer socialist than David Lightbown, with the support of his wife Ann. He regularly performed the role of Santa Claus at the whips' Christmas party. At the party three years ago the Division Bell

rang and we all had to make haste to the House of Commons to vote; Lightbown had no time to change as he was dispensing presents from his sack to the whips' children, so he proceeded to the government lobby in his full outfit. He was obliged to remove his headgear to satisfy the government teller that he actually was the Member for South East Staffordshire.

Lightbown had many interests outside the House, including rugby. (Controversially, in 1984, he supported the rugby football tour of South Africa.) He died whilst attending the Oxford and Cambridge Varsity rugby match.

Timothy Kirkhope

David Lincoln Lightbown, politician, born Derby 30 November 1932; member, Lichfield District Council 1975-86 (Leader of Council 1977-83); member, Staffordshire County Council 1977-85; MP (Conservative) for Staffordshire South East 1983-95; Assistant Government Whip 1986-87; Lord Commissioner of HM Treasury (government whip) 1987-90; Vice-Chamberlain, HM Household 1990; Comptroller 1990-95; 14 1995; married; died London 12 December 1995.

Sir Godfrey Agnew



Agnew: love-hate relationship
Photograph: Desmond O'Neill

Godfrey Agnew was for 21 years Clerk of the Privy Council. The main function of the Council today is to give formal effect to Proclamations and Orders in Council, which are issued by the Crown under prerogative or statutory powers. Such instruments are enacted "by and with the advice of Her Majesty's Privy Council".

In fact the Crown acts on the advice of the Government in the exercise of the prerogative, and where statutory provision exists the power has been authorised by Parliament, through an Act of Parliament. Proclamations are issued for such matters as proroguing, dissolving, and summoning Parliament and declaring war or peace. Orders in Council may be legislative, executive, or judicial in effect. A Privy Council is called for certain ceremonial occasions, such as the acceptance of office by a newly appointed minister. It was to the proper ordering of all such matters that Agnew devoted his working life.

"Off to a farewell party at the Privy Council office, with nice little speeches by Godfrey Agnew and myself. We have had a love-hate relationship." Thus Dick Crossman in his weekly diary in the entry for 1 November 1968. There was far more of a love than a hate element. A worm's eye view it may have been, but I was, as the late James Reston would put it, "under the carpet" at the many meetings Crossman had in his House of Commons room with Agnew, when I was Parliamentary Private Secretary to the Lord President of the Council. They got off to an inauspicious start. Agnew did not know that Crossman had to wear a corset across his middle body for medical reasons, and therefore found it difficult to ambulate backwards in the presence of the Queen at formal Privy Council inductions. As soon as he knew, Agnew beat his ingenuity to wards integrating protocol procedure and medical problem. Crossman referred to Agnew

appealing. In his entry for 11 January 1967 Crossman wrote: "As we left I felt this time it had been a great deal easier. (Sundrington.) I suppose the truth is that she [the Queen] really likes people she knows and every time you see her she tends to like you better simply because she's got more used to you. I remember once asking Godfrey Agnew whether she preferred the Tories or we because they were our social superiors and he said 'I don't think so. The Queen doesn't make fine distinctions between politicians of different parties. They all roughly belong to the same social category in her view.' I think that's true."

I was actually in Crossman's common room - it was early evening gin-and-tonic time - and I recollect they both chuckled uproariously. The remark epitomised Agnew's subtle humour and was funny because Agnew sensed Crossman's own view of himself, very much as Wykehamist upper-class. Some 15 years after Richard Crossman was in his grave I asked Agnew how he looked back on Crossman. Agnew smiled that unmalicious arch

smile. "The Chinese tell us that fortunate are those who live in interesting times. I was fortunate with all 12 of my bosses the Lords President of the Council but Crossman was such fun." Reflectively, Agnew added, "And you know any man likes to be remembered, even as a footnote in history. Were it not for my appearance in the Crossman diaries only my family and close friends would have remembered that I ever existed."

On another occasion I asked Agnew what he thought his job was. "To lubricate relations between the Palace and Government and to make sure not so much that protocol prevails, as that relations go smoothly. If you like, I am the Sir Charles Harris or the Sir Freddie Warburton [successive secretaries of the government Chief Whip] and embodiment of the parliamentary usual channels between parties and the physical embodiment of the usual channels between Palace and the governing party."

Godfrey Agnew was well regarded by the Queen and her Household. She knew him well because his first wife was the daughter of the famous Charles Moore, who was her father's and her racing trainer. Lord Halsbury of St Marylebone, who was twice Lord President of the Council, looks back on Agnew with affection. "We worked well together," he said. Doubtless the same could be said by any of the 10 other holders of this great office of state.

Tom Dailly

William Godfrey Agnew, courier, born Tunbridge Wells 11 October 1913; Senior Clerk, Privy Council Office 1946-51, Deputy Clerk of the Privy Council 1951-53, Clerk 1953-74; CVO 1953, KCVO 1965; Deputy Secretary, Cabinet Office 1972-74; CB 1975; married 1939 Ruth Moore (died 1962); three sons, three daughters; 1963 Lady (Nancy) Tyrwhitt (two stepsons, one step-daughter); died 10 December 1995.



Lascelles: fastidious tastes
Photograph: Lotte Melner-Graf

Mary Madge Lascelles, English scholar and teacher, born Granada, West Indies 7 February 1900; Tutor in English Language and Literature, Somerville College, Oxford 1931-64, Fellow 1932-67, Vice-Principal 1947-60, Honorary Fellow 1961-95; Lecturer in English Literature, Oxford University 1960-66; Reader 1966-67; FBA 1962; books include *Jane Austen and her Art* 1939, *Notions and Facts* 1973, *Selected Poems* 1990; died Cromer, Norfolk 10 December 1995.

Eric Anderson

Mary Lascelles

Since the moment in 1919 that Mary Lascelles arrived at Lady Margaret Hall from Sherborne School for Girls, Oxford was her spiritual and, for all but a few years, her actual home. She was Tutor in English at Somerville College for 30 years and for 13 years Vice-Principal. Promotion to a Readership, since it entailed the loss of her tutorial teaching and her rooms in college, gave her less pleasure than her election to the British Academy in 1962.

"I was born on the slopes of an extinct volcano in the Caribbean. I am bound to admit that this is the most remarkable fact I shall have to record: from now on the tale must grow more commonplace." So begins Mary Lascelles' *Memoir* of her life, printed privately in 1989. Commonplace, however, is not the adjective that her pupils or colleagues at Somerville normally applied to her. Mary Lascelles was a great teacher, and to all who knew her a

great personality. Her standards of politeness, punctuality and integrity were as formidable as her scholarship, and almost everyone remained in awe of her long after the moment when it was indicated that they might call her Mary.

No two of her former students can meet without an exchange of stories about her. Most of them have paced the street outside her little house in North Oxford to ensure that they arrived exactly on time, and the story goes that Esther Rantzen rang her bell a polite three minutes late to be greeted with the words "Ah, you have come at last. I shall just go and re-heat the scones."

The parties and tutorials alike were memorable rather than relaxed occasions. Her neatness and precision seemed to make others more prone than usual to clumsiness and *four pas*. Rugs and occasional tables became hazards. "Books and food on the same table: that is my definition of squalor," she told a

student who incautiously placed a book beside his tea plate. A friend recalls saying to her, at the time when the law was changed to allow cheques to be dated on Sundays, that she still felt inclined to put in Monday's date. "If I were to write a cheque on a Sunday," responded Mary, "I should, I think, be truthful about the date."

If conversation was sometimes inhibited it was because you lived in terror of splitting an infinitive in her hearing or using a slang phrase of which she would disapprove. Slovenly English was painful to her. She took great delight in telling how an earnest German student had come up to her after a lecture and said, "I seek and I seek for the language of the common people, and I find it in you." He was some way from the mark. He simply meant, Mary explained, that there was no jargon.

There was mercifully no jargon in her scholarly works. "Interpretation and appreciation" were her declared aims, achieved so successfully that the book with which she made her name in 1939, *Jane Austen and her Art*, is still selling well in a paperback edition. R.W. Chapman, whose edition of the novels inspired her to write on Jane Austen, became her friend and mentor. Later she took over from him the editing of *John Galsworthy's* *Journal* in the *Western Isles* for Yale. Johnson may seem an incongruous subject for a lady scholar of Mary Lascelles's fastidious tastes. His table manners would have been found wanting, but in conversation they would have been exchanged aphorisms on nearly equal terms. She also turned her attention illuminatingly to Shakespeare and Scott.

Rigorous and readable as her scholarly works were, it was none the less as Tutor and Fellow of Somerville that Mary Lascelles was at her best. Her pupils of the 1940s admired the elegance and beauty of "The

Less" but above all her teachings. "She gave an overpowering, lasting impression," wrote one, "that literature was exciting. She was a great teacher." She was also a great influence within the college. Janet Vaughan, the Principal, discussed everything with her and could rely on her impeccable judgement. She made no parade of her kindnesses, but they were many. Generations of undergraduates, like her colleagues, came to sense her affection for them and her interest in what they were doing. That interest continued long after they went down and she took a quiet pride in their success. Increasing blindness finally drove her in 1990 from retirement in Oxford to her sister's home in Norfolk.

Her death severs one of the last links with what she called that "smaller and more friendly world, gone beyond recall" whose values she upheld unwaveringly.

Eric Anderson

1903, Henry IV of Navarre, King of France, 1533; Roger Elliot Fry, painter and critic, 1866; Paul Eluard (Eugène Grindel), poet, 1895; Deaths: George Washington, first US president, 1799; Maurice Baring, novelist, playwright and poet, 1944; Stanley, first Earl Baldwin of Bewlsey, statesman, 1947; Myra Loy (Katherine Myra Williams), actress, 1993. On this day: Mary acceded to the Spanish throne, 1542; Roald Amundsen reached the South Pole, 1911; Constance, Countess Matilda, a Sinn Féin candidate, became the first woman to be elected to the British parliament, although she did not take her seat, 1914; women in Britain voted for the first time at the General Election, 1918. Today is the Feast Day of Saints Fingon or Gwinne and Phiala, St John of the Cross, St Nicasius of Rheims, St Spiridon and St Venantius Fortunatus.

Lectures
Tate Gallery: I. William Shank, "The Conservation of Modern Art: Why?", 1pm.
University College London (Detw): Lecture Theatre, 1.15pm: WCL: Professor Keith Mason, "Surveys of the X-Ray Sky: delving into the heart of quasar", 5.30pm.
RIBA Architecture Centre, London W1: Sir Richard Rogers, "The Thames Strategy", 7pm.

Dinners
Lord Mayor of London
The Lord Mayor of London, Mr John Chiswick, and the Lady Mayors, Mrs Chiswick, together with the Sheriffs and their ladies, received the

guests at a dinner held yesterday evening at the Mansion House, London EC4, to mark the visit of Mr Leonid Kuchma, President of the Republic of Ukraine, and Mrs Kuchma.

Foundation for Science and Technology
Lord Butterworth was in the chair at a lecture and dinner discussion held yesterday evening by the Foundation for Science and Technology at the Royal Society, London SW1. Professor Robert Worcester, Sir John Egan and Professor Lewis Wolpert spoke on "Do Government and Industry Scientists and Engineers Listen to Public Opinion?"

ROYAL ENGAGEMENTS
The Queen, 84, will open the new headquarters of the Royal Society of Medicine at St George's Hospital, London SW17, on Monday 18 December. The Queen will also attend the opening ceremony of the new headquarters of the Royal Society of Medicine at St George's Hospital, London SW17, on Monday 18 December. The Queen will also attend the opening ceremony of the new headquarters of the Royal Society of Medicine at St George's Hospital, London SW17, on Monday 18 December.

Charging of the Guard
The Household Cavalry Mounted Regiment mounted the Queen's Life Guard at Horse Guards, Whitehall, London SW1, on Monday 18 December. The Queen's Life Guard will be on duty at Horse Guards, Whitehall, London SW1, on Monday 18 December.

Cheltenham & Gloucester plc v Norgan, Court of Appeal (Lord Justice Evans, Lord Justice White and Sir John May), 5 December 1995

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The Court of Appeal allowed an appeal by the mortgagor, Mrs Christina Norgan, against the ruling by Judge O'Mally, sitting in Shaftesbury County Court on 27 June 1994, that she should be allowed no more than four years to repay to the mortgagee, Cheltenham & Gloucester plc (formerly Cheltenham & Gloucester Building Society), arrears of interest then amounting to £20,000 under a term mortgage that was to have lasted until 2008, and that she should thereafter be granted no further

stay of a possession order obtained by the mortgagee in 1990. The case was remitted to the judge for reconsideration. *Miller Caspary (Clement Jones, Rogers) for the mortgagor; Malcolm Waters (S.J. Cresswell, Gloucester) for the mortgagee.*

Lord Justice White said that under section 36 of the Administration of Justice Act 1970 the court could adjourn possession proceedings or stay, suspend or postpone any possession order granted to a mortgagee, "for such period as the court thinks reasonable" and subject to any conditions it thought fit, where the mortgaged land consisted of or included a dwelling house. "If it appears to the court that the mortgagor is likely to be able within a reasonable period to pay any sums due under the mortgage or to remedy the default..."

The words "any sums due" were initially interpreted as referring to the entire mortgage debt but section 8 of the Administration of Justice Act 1973 provided that "a court

Robert Shelton

Since Stephen Sedley put away his pen and decided to concentrate on the law, we haven't had a popular music critic worthy of the name on this side of the Atlantic - apart, that is, from the rubricated, genial presence of Robert Shelton, who brought to his craft the more considered, literate techniques that had previously graced the pages of the *New York Times*.

In the eyes of history, of course, Bob Shelton will be remembered as the first critic to bring to international prominence the name of Bob Dylan, when he ignored the bill-toppers at Gerde's Folk City in Greenwich Village to concentrate upon the support act, a young man whom he described as "resembling a cross between a choirboy and a beanstalk" whose voice was "anything but pretty".

But Dylan wasn't the only new singer to get the benefit of Shelton's perceptive encouragement. It was his review in 1959, two years earlier, of an 18-year-old Joan Baez whose "achingly pure soprano" he lauded at the Newport Folk Festival that pitched her into the stardom that was to put her on the cover of *Time* magazine in 1961. Phil Ochs, Peter Paul and Mary, Judy Collins and Jose Feliciano were also helped on their way, not to mention the 15-year-old Janis Ian. Ian's controversial ballad of cross-racial sex, "Society's Child", couldn't find a record company with the courage to issue it until Shelton's advocacy brought her to the attention of Leonard Bernstein, who featured her in a television special devoted to the new music emerging from the coffee bars and cellars of Greenwich Village.

Shelton wasn't merely an advocate, however, because he could get involved. It was he who persuaded Mike Porco, proprietor of the six-storey late-19th-century brownstone building on West 4th Street, to run Monday-night amateur talent nights at Gerde's Folk City, and it was he who suggested calling them bootleggers, the name Pete Seeger, Woody Guthrie and the Almanac Singers had given to their 35-cents-a-head Sunday-afternoon singarounds 20 years earlier. The term passed into the jargon of the burgeoning folk scene, leading itself to a magazine and a television show (which, ironically, blacklisted Seeger, because of his left-wing views).

Unlike some critics, who habitually laud their own perception, not to mention omniscience, Shelton was quick to admit that he missed Dylan's first appearances at Gerde's, because he was more interested in the bill-topping blues singer, John Lee Hooker. And while his description of Dylan in the *New York Times* of Friday 29 September 1961, as "one of the most distinctive stylists to play in a Manhattan cabaret in months... it matters less where he has been than where he is going, and that would seem to be straight up", probably did for Dylan what he had done earlier for Baez, in his biography of Dylan Shelton claimed that it was an accidental space at the top of the review page which gave the piece undue prominence: "The layout, the picture and the headline trumpeted Dylan even louder than my story."

He was working on the biography when he came to London in the late Sixties, and for many years it seemed like an unlikely alibi around his neck. He wanted to produce a measured, literary appreciation of a great popular poet, but publishers wanted the personal minutiae that are supposed to make good pop books. Un-

usually, for someone who shunned the press unless he could play mind games with them, Dylan was fairly co-operative in its creation, encouraging family, friends and acquaintances to co-operate as well, and the result was a fascinating *melange*, moving swiftly by between critical judgements of his subject's words and music to deftly sketched word pictures of places like Hibernia, Dylan's home town, "a running sore" from which "was extracted a billion gross tons of earth - more than was dug for the Panama Canal - which yielded 500 million tons of iron ore."

Shelton was not an analytical critic in the tradition of George Bernard Shaw, or even of Wilfrid Mellers, whose musical analysis of the Beatles' cadences caused his highbrow colleagues to scoff. He was rather an enormous enthusiast, who conveyed with the accuracy of a great reporter exactly



Shelton: promoted Bob Dylan

what it was like to be there, and how great it must have been. He was also a great professional. I remember that when Dave Laing assembled the unlikely quadrumvirate of Shelton, Robin Denselow, himself and me, to collaborate in documenting the development of folk rock from folk in *The Electric Muse*, it was Shelton who went through the proposed contract with an old pro's eye, and spurred us on to demand a larger advance, which to our surprise was promptly agreed by Methuen, the publishers.

What was amazing was that this great, historic documenter of a turning-point in the history not only of popular music but of world music was not given a British platform worthy of his eminence when he came to live in England. He wrote for the *Times* for a while, but then settled for a lowly arts-page editing job on the *Brighton Evening Argus*, leaving that as he struggled with diabetes to contribute film reviews to the *Birmingham Post*. Eventually, in 1986, his book on Dylan had come out, under the title *No Direction Home*, and it turned out to be well worth waiting for, not merely creating a fully rounded portrait of its subject, but also of the era that gave him birth.

But even the book's success did not land him the sort of work his eminence deserved. Strange are the ways of commissioning editors. It was not Shelton's only book. He also wrote the text for Dave Gahr's wonderful collection of photographs *The Face of Folk Music*, as well as the somewhat pot-boiling *Country Music Story*, in collaboration with Burt Goldblatt. But his true monument exists, not in hard covers, but in the yellowing files of newspapers on both sides of the Atlantic, the history of how when the mode of the music changes, the walls of the city shake.

Karl Dallas

Robert Shelton, journalist: born Chicago, Illinois 28 June 1926; died Brighton 11 December 1995.

Births, Marriages & Deaths

DEATHS

COTTERELL: On 11 December, peacefully in hospital, Ian Douglas, aged 65, formerly of the BBC Drama Department. Funeral service at Goldcr's Green Crematorium (East Chesham) on Tuesday 19 December at 1.15pm. Family flowers only, but donations may be sent to Parkinson's Society, 22 Upper Woburn Place, London WC1H 0RA.

ROSE: Professor Gillian, of Warwick University, passed away in hospital on Saturday 9 December 1995. Loved and missed by her father, mother and family. Funeral service on Friday 15 December at 1.30pm at the Cathedral Church, St Michael, Coventry. Burial to take place on Monday 18 December, 11.30am at Harncliffe Cemetery Chapel, Fortunes Green Road, Harncliffe, Coventry. Flowers and enquiries to Grimmett and Thorne Funeral Directors, 118 Albany Road, Coventry CV5 6NG. Telephone 01203 674746.

POWELL: William Pearson, On 11 December 1995, after a long illness, aged 70 years. Son of the late James and Mary Powell. Service at 1pm on Thursday 19 December at the Chatterlands Crematorium, Hall. Family flowers only please.

Forthcoming marriages

Mr T. J. G. Whitmarsh and Miss J. A. Lewis
The engagement is announced between Tim, elder son of Guy and Judy Whitmarsh, of Richards Castle, Herefordshire, and Julia, elder daughter of Derek and the late Gillian Lewis, emerald of Eileen Lewis, of Shiny Row, County Durham.

Birthdays

Captain the Hon Sir Nicholas Beaumont, director, High Gosforth Park, 66; Mr Vivian Bendall MP, 57; Professor Richard Cassidy, operative fencer, 68; General Sir Desmond Fitzpatrick, former Deputy Supreme Allied Commander, Europe, 83; The Right Rev John Griffiths, former Archbishop of Brisbane, 76; Sir Quinton Hazell, former director, Foreign and Colonial Investment Trust, 75; Sir Anthony Kershaw, former MP, 80; Miss Barbara Leigh Hunt, actress, 60; Mr Thomas McAvoy MP, 52; Mr Charles Morris, former MP and government minister, 69; Mr Alberto Morrocco, painter, 78; Sir John Osborne, former MP, 73; Dame Ruth Rallton, founder of the National Youth Orchestra, 80; Miss Janette Scott, actress, 57; Mr Stan Smith, tennis champion, 49; Mr Roy Thompson MP, 51; Sir Simon Townley, Lord-Lieutenant of Lancashire, 74; Miss Rosalyn Turck, conductor, lecturer and writer, 81.

Anniversaries

Births: Notredamus (Michel de Notredamus) astrologer and prophet.

Arrears can be paid over full mortgage term

LAW REPORT

14 December 1995

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Lord Justice White said that under section 36 of the Administration of Justice Act 1970 the court could adjourn possession proceedings or stay, suspend or postpone any possession order granted to a mortgagee, "for such period as the court thinks reasonable" and subject to any conditions it thought fit, where the mortgaged land consisted of or included a dwelling house. "If it appears to the court that the mortgagor is likely to be able within a reasonable period to pay any sums due under the mortgage or to remedy the default..."

The words "any sums due" were initially interpreted as referring to the entire mortgage debt but section 8 of the Administration of Justice Act 1973 provided that "a court

tended there was a primary assumption that a reasonable period was the term of the mortgage, which in this case had 13 years left to run.

Although his Lordship would not go so far as to make it an "assumption", it did seem that the logic and spirit of the legislation required the court to take as its starting-point the full term of the mortgage and to pose at the outset the question: would it be possible for the mortgagor to maintain payment-off of the arrears by instalments over that period?

Such an approach would demand a more detailed analysis of present figures and future projections than had hitherto been customary. Borrowers might need to provide a detailed budget. The court would also have to resolve disputes over how much of the outstanding debt should be attributed to interest and how much to principal. But such problems should not be allowed to stand in the way of giving effect to the clearly intended scheme of the legislation.

Lord Justice Evans and Sir John May concurred.

Paul Magrath, Barrister

Engineering a plateful of trouble?

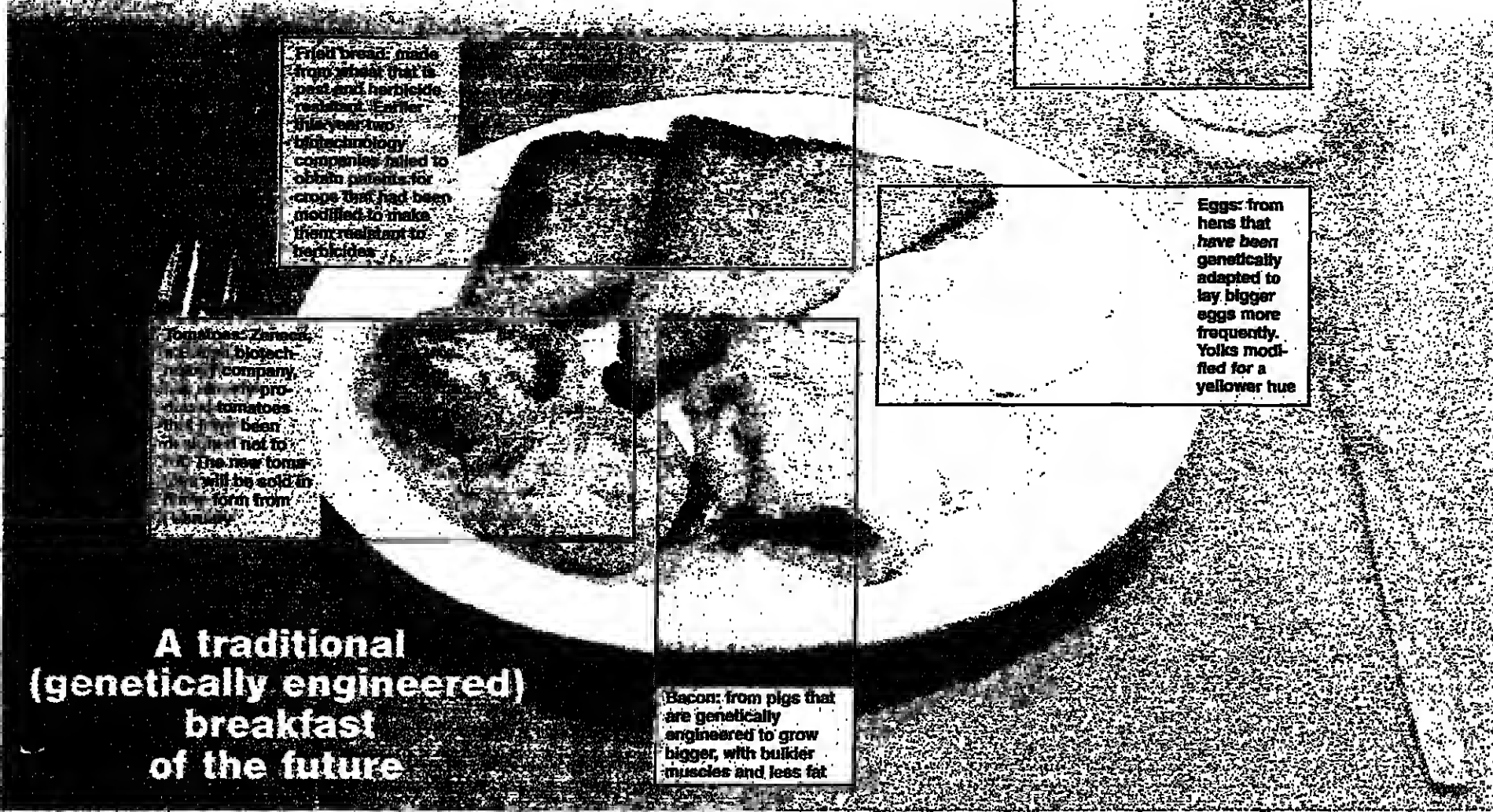
The supermarkets say tampering with genes improves our food, but the Prince of Wales is doubtful and consumers are bewildered. **Charles Arthur** assesses the arguments

How can you tell if the food on your plate has been genetically engineered? The short answer is: you can't. The difficult question is: should you be worried?

No one knows for sure, and consumer groups and, this week, Prince Charles, find that uncertainty worrying. At a conference on biodiversity the Prince criticised the "confidence bordering on arrogance" of the developers of genetically engineered plants and animals, and said he was "profoundly apprehensive" about their products' possible effects.

His words may hit a sensitive spot with a public already alerted to food issues by the row over the safety of beef. In the past fortnight concern has grown about whether eating beef carries the risks of developing the human equivalent of mad cow disease (an ailment which is unequivocally not caused by genetic engineering).

If the Prince wanted to start another food scare, his timing could hardly have been better



lowed, they would claim astronomical damages. A lot of the research now going on tries to determine what the risk is that spliced genes might jump between species. It happens with ease between bacteria; why not with higher organisms?

"It's a remarkably safe field," insists Dr Cree. "Genetic modification lets you be much more precise about what changes you make. It's quicker and easier, for example, to produce a new breed of wheat. If you want a higher plant, you work out which part of the genome (the entire sequence of the plant's DNA) affects its height and just alter that."

Dr Cree admits that the possibility of genes jumping from one species to another is a concern. "Though that is not borne out by experience," scientists' confidence about genetically engineered food stems from the fact that we have been eating other species' genes for

When did consumers ask for tomatoes that are slow to rot, or salmon that grow 10 times faster?

If the Prince wanted to start another food scare, his timing could hardly have been better. Next February, Safeway and Sainsbury's will start selling tomato purée made from tomatoes whose genes have been tweaked so that the fruit takes far longer to rot. Though they are not legally obliged to label the product any differently from other purées, both supermarkets say they will do so. But equally, they also intend to go ahead and put them on sale.

There are obvious benefits from genetically engineered foods, such as taste and longer shelf life, says a spokesman for Sainsbury's. "They will be clearly labelled as such." Is the company worried about another food scare? No, it is not. "The

Prince is entitled to his own opinion, as is the consumer," says a spokesman for the Prince of Wales. "Developed by the British biotechnology company Zeneca (formerly part of ICI), the products that make the purée have already been dubbed 'Frankenstein tomatoes'. In the Zeneca tomato, a gene that creates a plant hormone called ethylene is repressed. Ethylene is one of the key components in rotting. The effect of repressing it is that the fruit takes up to 40 per cent longer to rot - a key figure for food companies trying to distribute it to far-flung shops or processing centres. And the commercial benefits are self-evident: the world market for the fruit is worth £2.3bn annually."

But the whole process of altering foods and animals by

the most modern of techniques - to create what is known as a "genetically modified organism" (GMO) - has drawn fire from consumer organisations, and from Tim Lang of the Centre for Food Policy at Thames Valley University. "It's symbolic of what's happening in the food market. The consumer only gets any choice about what happens at the end."

Professor Lang is strongly critical of the enormous commercial bandwidth behind genetically altered food. "Eighty per cent of the patents taken out on GMOs have been taken by 14 companies," he says. "There is an important point about the politics of science here: these companies are the ones pushing this. But when have consumers

ever asked for tomatoes that take longer to rot, or salmon that grow 10 times faster?"

The possibility of creating organisms that might not arise naturally has been around since the 1970s, when the technique of using "recombinant DNA" was developed. DNA is the genetic material for every living organism, consisting of a double helix of millions of pairs of four basic amino acids. Every few million such pairs comprises a gene. Recombinant techniques can splice a gene from one plant or animal into another. Using these methods, researchers have already produced a menagerie of GMOs. There are potatoes with extra genes from bacteria that live in the gut when fried, the potatoes make crisper chips.

There is wheat that is resistant to herbicides, so the fields where it grows can be sprayed with impunity. There are tomatoes made frost-resistant by including genes from cold-water fish. Professor Lang says: "The big question is the 'What if?' What if a pest-resistant gene gets out from a crop and becomes incorporated into other plants? What if mutant insects get resistance to pesticides? That's an aspect which hasn't been brought out."

His questions are echoed by Julie Sheppard, a spokeswoman for the Genetic Forum, a consumer association which monitors the use of genetic engineering in modern life. "The implications of these foods are so colossal," she says.

"What's different about genetic engineering is that we are able to move genes from one species to another, from animal to animal, or from an animal to a plant. We don't know what the risks associated with that are. After all, if someone had suggested to you 40 years ago that the use of under-arm deodorants and hairspray would lead to an increase in skin cancer because of ozone damage, people would have laughed. Now they take it as read. The issues with genetically engineered food are so complex that we don't even know what the questions should be."

However, Gavin Cree, who chairs the Bioindustry Association's regulatory affairs advisory committee, says: "No one

anywhere has ever been harmed by a GMO - so we're doing pretty well. Judged by its record, genetic modification hardly needs regulation at all."

There is, however, regulation: in the UK, the release of GMOs is policed by a part of the Department of the Environment known as ACRE (Advisory Committee on Releases to the Environment). It carries out risk assessments and oversees the implementation of UK regulations in the use of GMOs.

Critics of companies involved in genetic engineering portray them as pushing ahead without knowing the full implications of their work. In fact they have a very strong motive for being cautious: if somebody did eat a GMO and some dire result fol-

lowed, and so far no one has grown wheat on their head or begun to moo.

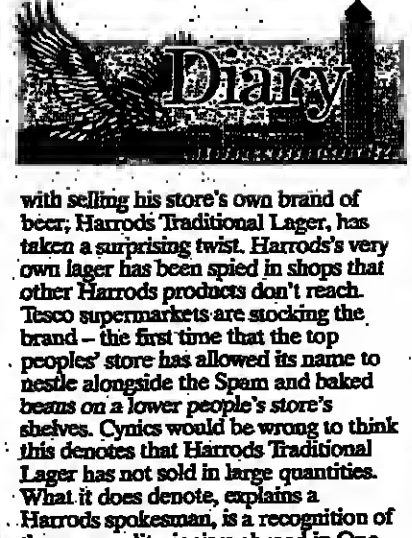
It is commercial pressure that is driving genetically engineered foods towards the market: once the gene has been added to an animal or plant, it takes less effort to get the finished result. And the companies can argue that shoppers always want fresher, brighter, tastier foods. In greater volumes.

But consumers may have the last laugh. There will be growing pressure on retailers and manufacturers to put clear labels on altered foods. That in turn makes it likely that people will turn away from such "Frankenfoods" to ordinary ones - even though there might be no risk and they could taste better.

This will come as a shock to students of English literature, and render a thousand theses null and void; but Sylvia Plath, well-known suicidal depressive, poet and novelist, was in fact a jolly soul.

Her family have discovered among her private papers a children's story, "The It-Docco's Matter Suit", about a young boy, Max, who becomes the proud owner of a "woolly, whiskery, brand-new, mustard yellow suit with three brass buttons shining like mirrors on the front of it, and two brass buttons at the back, and a brass button on each cuff". Rejected by all his older brothers, the suit gets shipped and stitched until it is just right for Max, and endows him with magical qualities.

The story, written in 1959, four years before Plath's death by her own hand, will now be published by Faber



and Faber next year. A Faber spokeswoman said: "People will have to revise their views about Plath after this. It wasn't even known that she wrote prose for children. This is a delightful and magical book."

Dr Margarita Stocker, English don at St Hilda's College, Oxford, said: "It does seem we have accepted an exaggerated image of a wretched and over-sensitive creature." What next - an undiscovered Virginia Woolf lunatic?

Mohammed Al Fayed's experiment

sponsorship. They do not believe it is tenable given Shell's drilling in Nigeria, whose government recently executed campaigner Ken Saro-Wiwa.

Dr John Hemmings, the RGS's director, is unmoved. He plans to discuss the issue at the annual RGS conference in January, and not before. One complainant believes that the dispute could break the uneasy alliance between radical and conventional geographers and that the IBG could break away again after the conference. "Since many of the radical geographers never wanted the merger anyway, they will not mourn a break-up."

So confusing, these London orchestras with their ridiculously similar names. How can one be expected to distinguish between a London Philharmonic, a Royal Philharmonic and a Philharmonia? Especially when one is Lord Gowrie, the chairman of the Arts Council, which gives those orchestras millions of pounds. After a recent London Philharmonic concert, the beaming earl went up to the orchestra's top brass and confided to them: "We've had a terrible time with the Budget, but I think we're going to be able to help with the £100,000 you need to sign Christoph Dohnanyi." Now it is true that Dohnanyi, maestro of the Cleveland Symphony Orchestra, has long been an object of desire for one London orchestra - but, alas, not the London Philharmonic. It is the Philharmonia's bosses who will be rubbing their hands in glee at Gowrie's generous gesture. Never mind, it's an easy mistake for a chap to make as he signs the cheque.

Christmas card watch: Eagle Eye is struck by the humour in the card chosen by Virginia Bottomley, the National Heritage Secretary. Her card

features a detail from Frank Cadogan Cowper's "Our Lady of the Fruits of the Earth", and shows the Madonna with child watched by a flock of sheep. The fruits of the earth are no doubt a reference, with ironic self-deprecation, to the munificence that Mrs Bottomley notably failed to distribute last month when nearly all her portfolio suffered post-Budget cutbacks. And the sheep no doubt constitute a nod in the direction of Turner Prize winner Damien Hirst, who would have dissected and pickled them.

At Baroness Chalker's ministry, the Overseas Development Agency, they are pondering a weighty matter: whether or not to renew the grant for *Dom Sym*, Russia's first radio soap opera, created by the BBC and modelled on *The Archers*.

Dom Sym goes out every weekday for 15 minutes. But instead of rural Ambridge, the setting is a Moscow apartment block. Instead of Borseshire's affluent farmers and struggling rustics there is Baba Polya (canny granny), Yura (the plumber), Varya (who runs her own flower business), and teenagers Kolya, Olya, and Tanya.

The programme is the brainchild of Liz Rigby, the *Archers* editor for three years until 1989, and was launched two years ago when it received an ODA grant of £500,000. The programme has been a huge success but its future is uncertain. The ODA is considering withdrawing its grant and Russian businesses are being approached for sponsorship. Perhaps the BBC could cut costs by combining the two soaps - with Jack Woolley exporting Grey Gables to the Urals and the Grundys setting up a vodka still in the barn.

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Who should judge the journalists?

Few weep when newspapers have to pay huge libel damages. The general public pictures a rich proprietor with deep pockets abusing an underdog. Juries relish the chance to exact an expensive revenge: it is fortunate for some reporters that hanging is not an option.

In this atmosphere of common contempt, particularly for tabloid journalistic techniques, libel awards – the only civil damages controlled by juries – have come to bear little or no relation to the much smaller sums usually won by victims of other wrongs.

The family of 12-year-old Tim Parry, killed in 1993 by an IRA bomb in Warrington, was awarded just £7,500 for his loss by the Criminal Injuries Compensation Board. This compared with £350,000 damages awarded to Elton John for an article in the *Sunday Mirror* which falsely claimed that he suffered from the eating disorder bulimia nervosa.

The inflated level of damages also acts as a muzzle on the press. Small publications face the danger of going out of business on the basis of a single lost court case. *The New Statesman* and *Private Eye* both narrowly escaped closure after such cases.

At last, this week, the courts stepped in to bring some sanity and rationality into the system of civil damages. On Tuesday, Sir Thomas Bingham, Master of the Rolls, drastically reduced Elton John's award to £75,000. More significantly, he ruled that juries should be informed of typical awards for accident victims, so that the size of libel damages can be kept in proportion. In future, a judge may, for

example, point out that a paraplegic gets a maximum of £125,000 for the injury.

This move is a welcome step towards making juries more realistic in the sums they extract from guilty media. But it may not work. Judges have tried in the past to reduce jury generosity to plaintiffs. Reforms have entitled Appeal Court judges to cut awards. It is already routine for trial judges to offer vague guidance on what a jury might consider appropriate compensation for an offence. None of these measures has had any perceptible effect on libel juries, which have continued to disperse cash in telephone number amounts.

So what happens if Sir Thomas Bingham's initiative cuts too ice with juries and they continue to award millions? Some might then call for the complete abolition of jury awards, suggesting that, while the jury should adjudicate on matters of guilt, punishment ought to be left to the judiciary. This change would, no doubt, lead to a drastic cut in libel damages.

But it would be a mistake. Ordinary people should have a say on how to compensate those wounded by words. It is a right that may need some circumscribing: if juries continue to make excessive awards, a cap might have to be set on what they can give away. But assessing a reputation – and the damage done to it by defamation – is best done by a person's peers. It would be a bad day for British justice if readers, listeners and viewers no longer sat in judgment on and set the punishments for errant journalists.

Cleaning out the Korean stables

It could prove to be a historic, cleansing storm. In South Korea, events in recent weeks have had the manic quality of an improbably action-packed TV mini-series. Not one but two former presidents are simultaneously on the rack – and many of the country's top businessmen are implicated in the scandals, too.

Ex-president Roh Tae Woo confessed last month to having amassed \$650m for a slush fund, of which almost a third, according to his own admission, went into his own pocket. He is now behind bars.

Ex-president Chun Doo Hwan, meanwhile, who seized power in a military coup 15 years ago this week, has found that his past has caught up with him, too. He has been arrested in connection with the massacre of students in the southern city of Kwangju in 1980, in which at least 200 people died.

The case of Mr Chun is almost straightforward. The brutal crackdown – Tiananmen, but without the same international outrage – had left a gaping wound which has never properly healed. The case of Mr Roh is more ambiguous. First, there was the embarrassing fact that President Kim himself was helped into power courtesy of Mr Roh. Second, the corruption allegedly involved some of South Korea's biggest and most successful companies, including Hyundai and Daewoo.

President Kim had repeatedly insisted: "Let history be the judge." Now he has suddenly performed a remarkable turnaround, pressing for a clean-out of the Korean stables – a turnaround which has left Koreans curious but not always enthusiastic. Mr Kim himself said yesterday that he was forced to move because the corruption had been "beyond

imagination". Critics contend that the explanation for this sudden conversion is to be found not in morality but in domestic politics: South Korea is due to have elections next spring.

Either way, the latest dramas contain an important message: new-found prosperity does not need to provide a *carte blanche* for everything that came before.

Twenty years ago South Korea was both poor and undemocratic. Now it is neither. Free elections were held in 1993, and the country is one of Asia's richest. It is significant that it is just at this point – when economic and political self-confidence have been achieved – that South Korea seems finally to be moving towards a reckoning with its own past. It is sometimes argued that the success of the Asian tiger economies is somehow incompatible with full democracy. But that need not be the whole story.

Caution is still needed. The whole Korean hullabaloo might vanish, almost as suddenly as it began. But the lessons from elsewhere in the world seem to be that expectations, once aroused, are difficult to dampen down. Even the bosses of the *chaebol*, South Korea's industrial giants, themselves now insist that they, too, want to do a cleaner kind of business, instead of paying a kind of informal corruption tax.

It is still unclear whether South Korea's apparent new determination to clean up its act is a serious change of tack or merely a pre-election ploy which will leave corruption shaken but not stirred. None the less there are reasonable grounds for optimism that the country is hesitantly embarking on the next stage of its democratisation.



Diana, chaste temptress, cruel hunter, Goddess of the Moon (with apologies to Ben Jonson, Hymn to Diana)

LETTERS TO THE EDITOR

Tony Blair's ideology has little to do with the Labour Party

From Mr Jim Denham

Sir: Donald Macintyre ("How to revive top-quality democracy", 12 December) tells us that Tony Blair is frustrated that he has not been given credit for shaping what he (Blair) sees as "a new, coherent, three-sided ideology" for Labour.

What is this exciting new triangular ideology? Apparently it consists of (1) equipping business for "massive technological change", (2) a "one nation" approach to social policy and (3) a "new politics" which seems to boil down to increasing the powers of local government and making Prime Minister's Question Time less confrontational.

All very laudable, I am sure. But isn't describing this as an "ideology" – and a "new, coherent and three-sided" one at that – a bit pretentious? Harold Wilson pioneered (1), Edward Heath still champions (2) and Paddy Ashdown no doubt approves of (3), even though Mr Blair is still playing hard-to-get on PR.

And a final, minor point: what has any of it got to do with any conceivable definition of socialism? Yours faithfully, JIM DENHAM, Birmingham 12 December

From Mr David Rendel, MP

Sir: Your substantial coverage of Tony Blair's proposal to impose a system of all-powerful mayors on local government highlights the hypocritical nature of Labour's current approach to local democracy. Far from putting "voters back in the driving seat of local government" (leading article, "Someone worth calling mayor", 12 December), Mr Blair's proposal may simply make it easier for central government to strengthen its hold over local authorities.

It was after all Mr Blair who, only weeks earlier, drummed the leader of Walsall council, David Church, out of the Labour Party.

Under the Blair plan, many more local authorities would be dominated by a highly personalised leadership. Yet Mr Blair has made it clear that he will only allow such leadership to remain in place if it conforms strictly to national Labour Party policy.

It is hard to believe that the policy represents any new philosophical commitment to local democracy. Ultimately, Labour must face up to the fact that local democracy is not meant to offer maximum convenience to prime ministers – or to leaders of the opposition.

It is intended to offer local people an effective means of governing their own affairs in a way that is truly accessible and accountable. This is a simple point, but it does not fit with Mr Blair's vision of a presidential Britain where he and his elite band of disciples pull all the strings of power. Yours sincerely, DAVID RENDEL, MP for Newbury (Lib Dem) House of Commons London, SW1 12 December

From Mr Brendan O'Neill

Sir: Reading Donald Macintyre's interview with Tony Blair today, I was not helped wondering who will be expected to foot the bill for new Labour's new Britain. Mr Blair says he wants to "equip people and business for massive, global, and technological change" without resorting to the old left's policy of "limitless expansion of public spending and rights without responsibilities".

In other words, the new Britain we can look forward to is one where welfare spending will be cut under the auspices of "individual responsibility". Blair provides an accountant's view of the welfare state: it is too expensive to increase pension payments, so individuals should take out private plans; it is not feasible to have free childcare, so parents will have to pay; the increase in the number of young people going to university makes the payment of student grants too expensive, so students will have to pay for more of their own education. Mr Blair tries to justify his plans to cut welfare by making woolly references to "the community" and "individual responsibility", but under all the rhetoric lurks the Conservative policy of leaving the state and the poor to fend for themselves.

I have just finished my first year at university and already I know what it is like to live on the verge of poverty. Under a new Labour government, I can only imagine that things will get a lot worse for me and many people throughout Britain. It was the Tories who ruined this country, but under Prime Minister Blair ordinary people will be made to pay the price. Yours faithfully, BRENDAN O'NEILL, Edgware, Middlesex 12 December

From Dr Chris Cook

Sir: What will the Government now do about its Health of the Nation target to reduce the numbers of men and women drinking more than the sensible limits of alcohol? Their targets, based on the old recommendations, which most doctors still uphold, were less than one in six men, and less than one in 18 women drinking more than the recommended amounts by 2005. Until yesterday, the evidence was that they had made no progress towards this end.

The OPCS Health Survey for England 1993 (published by HMSO in 1995) showed 30 per cent of men drinking more than 21 units per week, and 13 per cent of women drinking more than 14 units per week. Published data do not show corresponding figures for the new limits, which correspond to weekly totals of 28 and 21 units respectively. However, the survey did show 15 per cent of men drinking more than 35 units per week, and 4 per cent of women drinking more than 25 units per week.

Extrapolating from these figures, we might estimate that about 23 per cent of men (one in four) and 7 per cent of women (one in 14) are drinking over the new limits. In other words, by moving the goal posts the Government has at a stroke virtually achieved its targets for women, and has gone a long way towards achieving them for men. A great success – despite absolutely no change in the nation's drinking!

Presumably, the Government could maintain the old limits as targets for Health of the Nation. This would seem contradictory, to say the least. Assuming that it moves to the new limits, it is in effect saying that the present levels of alcohol consumption within the population are already close to acceptable. This is despite an estimated 40,000 alcohol-related deaths in this country each year, and an estimated £2.5bn per year attributable to alcohol-related problems. Of course, the financial cost is easily offset by the revenue received through alcohol sales, via taxation. It is hard to avoid the conclusion that the Health of the Nation was not an important consideration in this matter. Yours sincerely, CHRIS COOK, Consultant and Senior Lecturer National Addiction Centre and Maudsley Hospital London, SE5 13 December

Wake up call from the nuclear dream

From Dr Patrick Green

Sir: Charles Arthur's claim that British Energy's decision to abandon the proposed Sizewell C and Hinkley C nuclear reactors is bad for the UK economy (Analysis, "Nuclear pull-out poses threat to the economy", 12 December) ignores some simple economic facts.

Far from justifying its existence in the public sector, nuclear power was killed because it cannot survive without massive public subsidy. The Government's May 1995 White Paper, *The Prospects for Nuclear Power*, made it transparently clear that there are no strategic, industrial or

environmental arguments which can be substantiated to justify such continued subsidy.

Quite simply, every billion pounds spent subsidising a new nuclear power station is a billion pounds that could be spent more cost-effectively elsewhere. Pound for pound, investment in energy efficiency can lead to twice as many jobs created as investment in nuclear power. Energy efficiency is a far more cost-effective way of combating climate change than nuclear power.

In the medium to long term, renewable energy offers a more sustainable and cost-effective means of meeting the UK

energy's needs without the environmental impact of fossil-fuel burning or nuclear power. Wind energy is already cheaper than nuclear power and does not produce a legacy of nuclear waste that will remain hazardous for timescales transcending human experience.

New nuclear power stations will only add to the nation's existing legacy of nuclear waste for which no permanent solution exists. The new station would produce radioactive waste during its operating life and would need to be decommissioned at the end of it, or some 50-100 years thereafter. The UK's nuclear waste management and decommissioning bill currently stands at around £40bn.

Continued investment in nuclear power would therefore be distinctly bad for the UK economy and is not necessary. It is time to wake up from the nuclear dream, Mr Arthur. Yours sincerely, PATRICK GREEN, Senior Energy Nuclear and Climate Campaigner Friends of the Earth London, N1 12 December

A place for stowaways

From Mr R. G. Milburn

Sir: I was shocked, but not surprised, by Raymond Whitaker's article "Life terms for the stow-away massacre" (11 December). During June and July this year, I travelled as a passenger on the container ship *Contship Atlantic* from Felixstowe to Karachi.

At that time the ship also had a stowaway, from a container, on board. He had travelled from Karachi to Bombay, Felixstowe, Hamburg, Antwerp and back to Karachi again. A journey of some 65 days' duration. Due to the integrity of the German officers he had been well treated, if confined.

I observed his treatment by a multiplicity of bureaucrats on the way. He was interviewed, photographed and even fingerprinted, but no one permitted him to land. The only practical care he received on shore was from the Felixstowe Seafarers' Centre, which clothed him. The crew were anticipating a passenger for life!

Political and economic migrants will not disappear just because we wish it. The only long-term solution is to make life more worthwhile for them at home.

Meanwhile, we need to develop a protection mechanism for our seafarers. Nine stowaways can be a real hazard on a ship that might only have two crew on duty at certain times of the day. Might I suggest that we develop an automatic right of landing stowaways at the vessel's next port of call, followed by repatriation to their port of embarkation at the expense of that government. At least the problem can then be returned to where it belongs – political debate – rather than providing continuing dangers to the lives of sailors and even to the lives of stowaways. Yours faithfully, R. G. MILBURN, West Wickham, Kent 12 December

Pork for the chop

From Mr Julian Morris

Sir: If I were in the meat trade, I think I would be planning to take a long Christmas break. From Friday, pork sales will probably dip more than BSE beef due to the UK release of the film *Babe*, an irresistible tale of a polite young pig's efforts to stay off the Christmas lunch table. After I saw the film in August, in the hyper-carnivorous US, pork sales reportedly dropped by 20 per cent. Yours, JULIAN MORRIS, Appleton, Oxfordshire

Letters should be addressed to Letters to the Editor, and include a daytime telephone number. (Fax: 0711-293 2856; e-mail: letters@independent.co.uk) Letters may be edited for length and clarity.

Your chance to pick a personality to forget

Yes, it's coming to the end of 1995, so it is time to vote in our annual, alternative Non-Personality of the Year contest again. All you have to do is vote for the person who you think has contributed most to making 1995 a year you would rather forget about.

So, obviously that leaves out Nelson Mandela, but it still leaves in everyone else – Will Carling, the Princess of Wales, Richard Branson, John Major, the entire government of Nigeria and many other excellent candidates.

Previous winners, don't forget, have included Jeffrey Archer, Peter Mayle, Paul Gascoigne and Virginia Bottomley, so do not vote for them again this year – unless you feel particularly vindictive.

Here is a list of this year's leading candidates, with a brief résumé of their qualities to give you an idea of the kind of person we are hoping to make our Non-Personality of the Year.

Brian Mahoney
The Vinnie Jones of politics. The hard man of the right. The Norman Rebbit de nos jours. The player the Tories send on to cripple the opposition. The man who appears on the media at the first sign of adult political argument to put a stop to it. He likes to call himself doctor, so that at



MILES KINGSTON

scenes of accidents he can barge his way through, shouting, "Let me through, I'm the chairman of the 'Bry Party'!" and trample the injured person to death. The man who, many Tories fear, will lead to another Tory election victory if not stopped.

John Lennon
People who say that Paul McCartney was the soft, whimsical one of the Beatles obviously never listened to any of the slash that Lennon recorded in his last dozen years. Nor did they listen to the Beatles' new single, which was a heartless posthumous practical joke played by the three survivors on Lennon, though not very funny in any other way.

The Pope
If the definition of a dirty old man is a rather sad and lovely figure with an

overwhelming interest in other people's sex lives and an urge to interfere in them, then the Pope is the ultimate dirty old man. He is the head of the Roman Catholic Church, a quaintly old-fashioned religious organisation in which priests cannot marry but are allowed to interfere with little children.

Lord Lucas
The longest-running aristocrat on the run. Or out, as the case may be.

Nick Leeson
Leeson is well in the running for the Businessman of the Year award on the grounds that he took on and bankrupted his own bank, which is a thing all of us from time to time have longed to do and none of us has ever managed.

Ian Paisley
Not the power for evil that he once was, but still a potent reminder that you do not have to be Iranian to be a power-lunatic. In 1978, Dervla Murphy described (in her book on Northern Ireland, *A Place Apart*) how she attended a service given by Paisley in Belfast and how, after an hour and a half of listening to "this demented figure", she left the church and "knew I had been in the presence of pure evil". No one has ever quite replaced Paisley on this Satanic level.

Janet Street-Porter
As Eddie Izzard gets more soft and feminine, Street-Porter gets the other way. It is said that there are no jobs for life any more – in Street-Porter's case there just seem not to be any jobs any more, except acting in documentaries about her losing her job. She made a famous speech in Edinburgh in 1995 and no one can remember a thing she said in it. Not her year in some ways.

Eddie Izzard
Izzard said that he would not go on TV and do his jokes. Now he is on TV and shows all the time, but all credit to him – he has kept to his word and never does any of his jokes.

Duncan Ferguson
This is the Everton footballer who was sent to prison for striking an opponent and thus messed up the whole Fantasy Football season, because no one knew how well he was performing for the prison team and if he was scoring any goals.

Is there anyone YOU would like to nominate for Non-Personality of the Year? Just let us know on a postcard (only use e-mail if you are nominating Bill Gates).

1501-1502

comment

In the firmament, winners take all

A global 'star system' is developing, in which pay differentials are wider than ever. But there is a downside

It has been a good week for society's winners in the worlds of pop music, finance and sport. This year's list of top earners among the British pop stars had Phil Collins making £24.3m, Elton John £12.7m and Eric Clapton £5.9m. It was bonus time in the City, with 20 of the London staff at the US investment bankers Goldman Sachs collecting about £1m apiece on top of their salaries. And NBC, the American television group, signed a deal paying \$2.5bn for the US Olympic television rights till 2008 – a sum which demonstrates the pulling power in world media of Olympic athletes, which will eventually be reflected in fees paid subsequently to the most successful.

There is a common thread here. These three diverse fields of human endeavour have all seen an astonishing widening of pay differentials during the past 20 years. The gap between the competent but unextraordinary performer and the tiny handful of stars has never been greater.

The entertainment, finance and sports businesses have long rewarded their stars generously. Indeed, I have written here about the Pavarotti factor: the handful of people who are so outstandingly talented that they are able to command vastly more than the rest of the performer.

But now they are being joined by a second group, of people who are simply highly skilled in various activities and who have managed to pro-

pel themselves to star status. Look at any professional activity – the law, management, medicine, education – and the tendency is for people who are seen as exceptional to earn a great deal more than those who are perceived as "less good".

The usual explanation is to see this process in political terms: we have become a greedier society, with greater rewards to "fat cats" – a trend encouraged by the free-market right, which has been the dominant political force of the last 15 years in both the US and Britain.

But the "star system" phenomenon is too widespread for this political explanation to be fully credible. The driving force is economic: seismic changes are taking place in the world economy which mean that the "best" people (in the sense that the market deems them to be best) are capturing an ever larger share of the earnings cake.

The whole phenomenon is charted in a new book just out in the US, *The Winner-Take-All Society*, by Professors Robert Frank and Philip Cook (The Free Press, \$25). Their thesis is that the practice of handing out disproportionate rewards for small differences in performance is spreading from a small number of professions to many other activities, with disastrous social consequences.

The authors write principally in terms of the US, where the star system extends more widely than in the



HAMISH McRAE

UK. So it would be wrong to take their analysis and transfer it undiluted to Britain. Nevertheless they are on to something important. We are subject to the same forces and many of our stars sell to the world market in the same way as top Americans.

There seem to me to be three quite separate forces at work, which the authors note but do not clearly differentiate. First, an ever more complex world economy genuinely does need greater and greater skills in its workforce. Second is the combined effect of technology and the international media, which has both created a global demand for "stars" and made it possible for those stars to deliver their product to a world market. And third, large social changes have produced a society in which distribution of the spoils has become more important than the generation of wealth.

What is wrong with this? There is surely nothing wrong with highly skilled people being highly rewarded

for their work. We need, as far as is possible, to train and encourage more such people. There is surely nothing wrong with the creation of stars if those stars give pleasure to millions, as stars of entertainment and sport do. So why would the authors of *The Winner-Take-All Society* warn of "disastrous social consequences"?

One reason is that it distorts people's aspirations. Too many people are sucked into an attempt to reach stardom, despite the fact that mathematically the vast majority will fail and will end up miserable as a result.

Another is that a society which places more and more emphasis on the division of the spoils, rather than the creation of wealth, simply inflates the pay of the an ever-spreading constellation of "stars".

This applies, particularly, not to the outstandingly talented, but to the highly skilled. Consider a court case. The winner does usually take all. So it is worth paying any amount to obtain the best barrister rather than the second best, because the best will win. Hence the extraordinary escalation of legal costs taking place throughout the world.

Similarly, the cost of takeover battles, with the enormous fees paid to investment bankers and other advisers, might be seen as an example of "winner" fees for an activity which in the short-term at least, does not increase, but merely redistributes

wealth. Pop stars give pleasure, but do lawyers and takeover specialists?

The star system is well-developed in American education, where the handful of world-class universities and business schools are paying very high salaries to attract star lecturers who will underwrite their brand name. The result is that the overall cost of higher education in the US has rocketed, as increased costs have to be passed on to students in fees.

It is a million miles from explaining a phenomenon to justifying it, and still further from explaining to developing ways of countering such a powerful force.

There are some things that can be done: the most obvious is to improve the supply of highly skilled people. We cannot readily increase the supply of Pavarottis, but we can do something about the supply of skilled professionals in all walks of life. Government does have a role.

But if the principal driver of the winner-takes-all phenomenon is global economic trends rather than domestic political ideologies, it becomes clear that politicians can do relatively little to intervene.

Maybe in the end the answer is in our own hands: we should place a far greater value on individuality – the wonderful cultural and intellectual variety of the world – not the mass-produced and globally consumed "celebrity" upon which we have allowed ourselves to become hooked.

Will Bosnia become Beirut?

Lebanon will not be mentioned at the Bosnia peace ceremony in Paris today. You do not mention disaster when you want to project hope. But Beirut lies like a curse over the West's forthcoming involvement in Bosnia. Radovan Karadzic, the Bosnian Serb leader, understood this when he ingratiatingly warned the Americans that Sarajevo could become "another Beirut".

And the chilling memory of the 341 American servicemen slaughtered by a Muslim suicide truck bomber at the US Marine base in Beirut in 1983 semi-US negotiator Richard Holbrooke back to Sarajevo to ask Alija Izetbegovic to order Arab fighters out of his country. The Bosnian president rather optimistically gave them 30 days to leave.

In Beirut, where the bloodbath in Bosnia has been watched on television with both horror and the condescension of shared guilt, the Lebanese did not know whether to laugh or cry. Wasn't Sarajevo already worse than Beirut? In 15 years of civil war and "ethnic cleansing" in Lebanon, 150,000 men, women and children were killed. In just four years of war in the former Yugoslavia, about 200,000 have died.

But the parallels should be troubling the most powerful force in NATO. Back in 1982, the American Marines arrived in Beirut at the head of an all-Nato force of French and Italian troops and – later – 100 British soldiers. They came, they said, to protect the Palestinians after the massacre at the Sabra and Chatilla camps by Israel's Christian Lebanese allies. In 1982, Washington believed it had secured the agreement of both Syria and Israel to withdraw their armies from the country. The Americans were told that local militias would be disbanded and "foreign fighters" would be expelled. They promised to re-arm the government army.

Just like Bosnia. Most frightening of all parallels is the American failure to plot an escape route. The Marine presence in Beirut – only 2,000 strong – was open-ended, while the Nato deployment, with 20,000 US troops, is limited to just a year. But the American failure to bring peace to Lebanon forced the Marines to stay longer – until they became so deeply involved in the civil war that they were themselves attacked by that lonely, smiling suicide bomber.

Can Nato really pull out of Bosnia if it fails, if the war re-

ignites, or if those ambiguous, frighteningly complex paragraphs of the Dayton agreement prove too difficult for its troops to put into practice? The US failure in Lebanon forced President Reagan to search for new policy interests in the region; will the current US administration have to find new goals in the Balkans if it faces humiliation there?

The Americans also have a habit of declaring their desire to assist one political group or ethnic community while ending up supporting another. The Marine deployment in Beirut was intended to ensure the protection of Palestinians and the withdrawal of foreign forces from Lebanon. But it ended up supporting a Lebanese government that loathed the Palestinians, and opening a defence alliance with the Israelis who had invaded Lebanon.

The Bosnian government has now been told it will control a unified Sarajevo, that the frontiers of Bosnia are inviolate, that courts and civil society will be resurrected after three years of massacre. But the Americans

are relying on their Croat friends to hold the Bosnian federation together, which is why the US ambassador to Zagreb denied that the Croats had "ethnically cleansed" 200,000 Serbs out of Krajina last summer – even when the Croats were driving the Serbs out, murdering elderly survivors and burning every village. The Muslim-Croat alliance in Bosnia may look good on paper, but it is as brittle as gold leaf.

And if the Croats grow tired of Izetbegovic's puppet show in Sarajevo, they can turn out the lights. What will the Bosnian Muslims do when they realise that the American peace is founded on the good offices of their two enemies, the Croats and the Serbs?

In Beirut, 15 years of winter storms have hatched the scorched ruins of the US Marine base, but the humdrum can still be seen on the concrete, the faded signs for drinks in the Marine mess still visible behind the long, wet grass and rubble. Somehow, they seem more powerfully symbolic today than they have for many years. The Lebanese discovered the price of civil war – just as the Bosnians will now discover it: that their future is decided not by themselves but by outside powers. And the outside powers must reckon with the fury of those they came to help if their promises turn to dust.



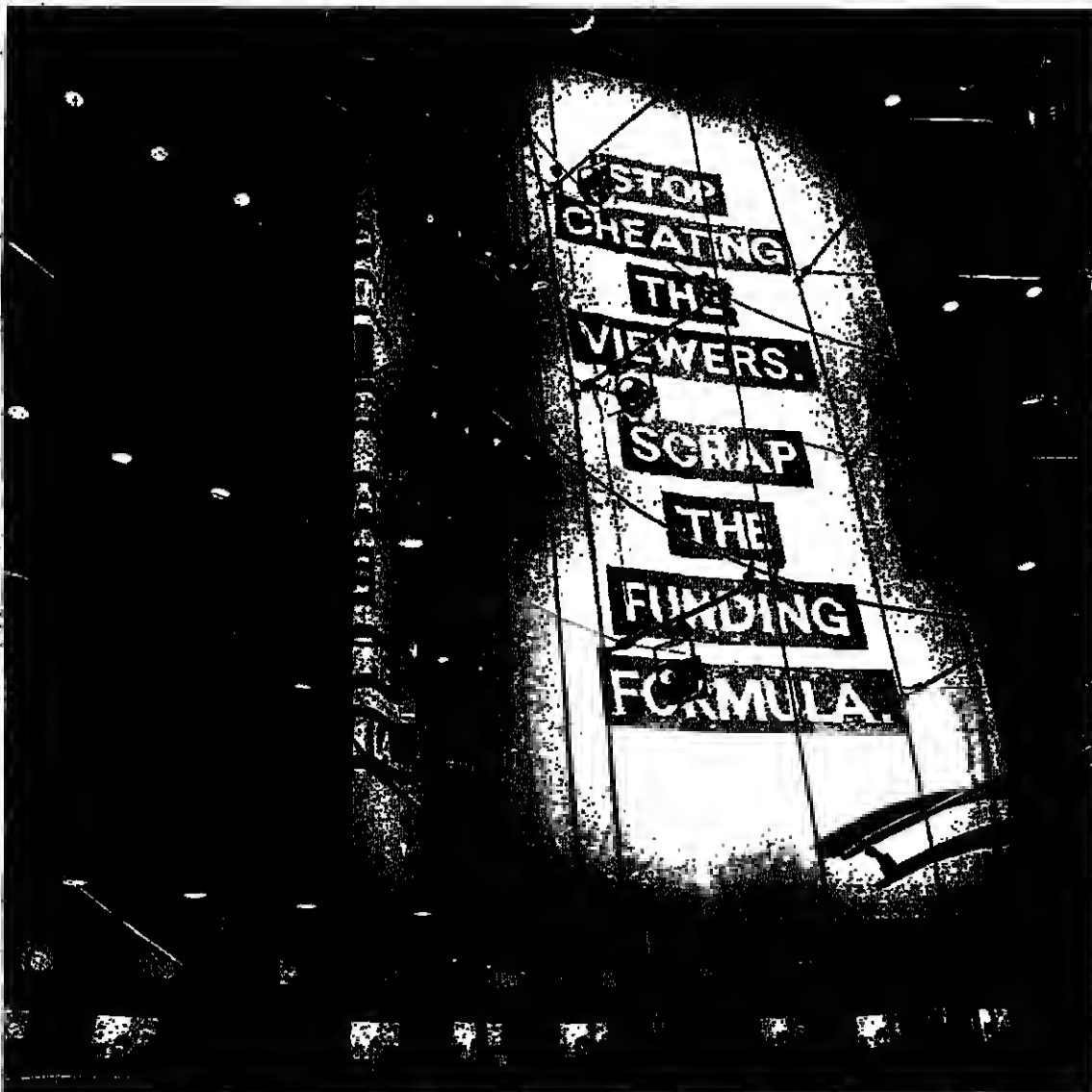
ROBERT FISK

General Grade's trench war

This week's spat between Channel 4 and ITV is about more than quality, says Thomas Sutcliffe

When Michael Grade arrived in his new office at Channel 4's headquarters in 1988, he did so with a threat ringing in his ears. "I am handing on to you a sacred trust," Jeremy Isaacs had warned him when the two met in a corridor. "If you screw it up, if you betray it, I'll come back and throttle you."

To date Grade remains unthrottled, which may simply be because Isaacs is too busy running the Royal Opera House to watch much television. But it seems there are plenty of others who would be happy to carry out his threat. For almost two years, ITV and C4 have been fighting a trench war over their funding arrangements. Grade argues that it is absurd and unfair for C4, notionally a minority channel, to remit money to ITV (the result of a deal struck when C4 was allowed to



Fighting fund: Channel 4 has been disputing its financing with ITV for two years Photograph: Jane Baker

ITV used a blizzard of statistics and selective accounts of C4's schedules

sell its own advertising. Half of all revenue over a certain threshold figure goes to ITV companies, in return for a guarantee against failure. The figure never came and this year C4 paid ITV £74m).

ITV, well dug in behind contractual ramparts, replies that Grade did not object when the deal was agreed and besides, it needs the money to support the public service element of its own output. The row that broke out this week about whether C4 is meeting its original brief is simply a new front in an old war, a strategic thrust at what ITV perceives to be a weak part of the front.

The barrage was opened by Steve Morrison, managing director of LWT, who argued that Grade had abandoned C4's distinctive public service remit. He made his case with a blizzard of statistics and some highly selective accounts of the schedules. His account of Sunday evening, for example, turns out to be canny myopia and offers a useful example of how reliable such arguments can be. He concedes that Channel 4's *Equinox*, broadcast at 7pm, is excellent. But "what happened as the channels moved out of peak time at 10.30pm? On LWT you could have seen news and arts. C4's contribution to being distinctive? A thriller movie starring Val Kilmer and Joanne Whalley-Kilmer." This was, in fact, a low budget film noir, part of a perfectly respectable series that C4 has been running.

Morrison also neglects to mention

what happened in peak time. While LWT was broadcasting *The Beatles Anthology* and *London's Burning*, C4 offered viewers *Soviet Echoes*, part of a distinguished series about classical music under Communism, and *The Last Europeans*, the final episode of a three-part history of Britain's relations with Europe. If Grade is really moving in on ITV's mainstream audiences, he seems to be losing his old touch. The truth is, of course, that lamentations over the death of C4 are premature, and the tears are distinctly crocodilean. It is undoubtedly true that Grade has changed the nature of the channel. There are many small film-making collectives on whom the irritating funds no longer fall, many independent film-makers who find it impossible to pursue their private (and often surprisingly productive)

obsessions. The channel is less eclectic, less lumpy, less downright weird than it used to be. It is hard to imagine seeing now one of the programmes broadcast in its first year: an aerial letter from New Zealand feminists that was solemnly read aloud as the camera panned down the writing paper. Even defenders of Grade sense the change of temperature. "It doesn't have the passion about experiment that it used to have," says Anthony Smith, one of the founding fathers of the channel, "but I certainly don't think the ideal has been betrayed."

Some of the serious programmes, however, are marred by an addiction to marketable controversy. *Secret Lives* does not match BBC's *Timewatch* in its editorial rigour or scale; *Without Walls* is capable of fitful brilliance but, as Melvyn Bragg pointed out in a fol-

low-up bombardment, it hardly constitutes lavish commitment to the arts.

It is true, too, that Grade's instincts are essentially commercial. It is hardly surprising that ITV executives, already nervous about the potential effect of Channel 5 on their revenues, should fidget with their calculators when Grade describes their network as C4's "dominant commercial competitor" (my italics). That is not the language of someone who thinks naturally of complementarity, or of a humble subsidiary role. One reason Grade's ITV adversaries are so rattled is because he has transformed the later part of his schedules, replacing discussion programmes with popular American imports. This hits ITV where it is vulnerable because of the *News at Ten* break.

When Isaacs opposed the choice of his successor in 1988, he put the case

with characteristic terseness: "I said that he was a commercially minded television executive who would seek to take the station downmarket, make it more popular, prepare it for privatisation". Grade would probably admit proudly to commercial nous but has already been acquitted of the last charge (he fought hard to prevent privatisation, foregoing considerable personal enrichment in the process). Presumably Isaacs did not think it would be admirable for his replacement to make the station less popular – he was simply searching for a form of words that would encompass the odd obligation of a public service channel not to be too successful.

In fact, Grade has made the channel more popular, but an examination of the schedules hardly bears out the suggestion that he has plunged down-

Grade has replaced C4's late-night discussion programmes with popular US imports

market to do so. The day on which the C4 schedule included snooker, *The Munters*, *Brookside*, a sit-com called *Rude Health* and *Hill Street Blues* does not provide evidence of Grade's baleful hand – they were broadcast on 4 January 1988, the day he arrived. As one independent producer points out: "It's not that the downmarket stuff wasn't always in the schedules to begin with – it's just that Michael's doing it more successfully."

Nor is it easy to equate more recent schedules with a programme of relentless commercialism. The "Battered Britain" season, a recent examination of the nation's social health, gave an amount of time to unpalatable, "unsexy" material which (perhaps rightly) would have been unthinkable on any other channel. This week's programming has included consumer series about finance and education, programmes about disability, documentary strands such as *Dispatches* and *Secret Lives*. Paul Watson's film about a Liverpool factory and a series of short films about distinctive churches. Though American programming has increased greatly, it is arguable that C4's purchase of sit-coms such as *Frasier* and *Rosanne* has done much to improve television culture in the field of comedy.

In short, Grade's C4 is still a very long way from being ITV by other means. But it is no longer the amateur channel which, in the finest sense, it was under Isaacs. That may be why the professionals are so bad-tempered.

ANOTHER VIEW Martin Mears

Sound legal advice does not come cheap

At its meeting today, the Law Society Council will be asked to approve a minimum recommended fee scale for conveyancing – a change that has been quite controversial. Solicitors would be free to charge below the recommended rate but, if they did, the transaction would not be covered by the Solicitors' Indemnity Fund and they would have to arrange their own insurance.

The proposals need the consent of the Master of the Rolls who would have to be convinced they were in the public interest. The consumerist orthodoxy, of course, is that cheapest is always best. But the fallacy of this

position is obvious. No one employs an electrician or a dentist on price alone. People look for a quality service at a reasonable charge. They also do this when they employ a solicitor, but with one exception. A conveyancing solicitor is regarded as supplying a package. And provided that the package is delivered (ie, a set of keys or a cheque on completion day), that is all that is required.

But what if the solicitor charges so little that he is unable to devote proper time to the transaction or to employ competent staff. What if, say, he fails to make proper searches so that the purchaser finds his prop-

erty is in the path of a motorway? In that event, the client will sue the solicitor and the solicitor will resort to the Solicitors Indemnity Fund, a mutual fund sustained by the contributions of all practising solicitors.

The profession as a whole, then, finds itself in the position of subsidising inferior work carried out by cut-price practitioners. Figures establishing a correlation between cut-price work and claims on the Indemnity Fund have now emerged.

As the Lloyd's debacle demonstrated, an excess of insurance claims can break even the strongest institution. And the full seriousness of the

situation cannot yet be known as most mistakes made in the course of conveyancing transactions do not emerge until years later.

Alas, the public perception of solicitors as fat cats remains. The opposite is the truth. Recent Law Society figures show that 25 per cent of sole practitioners earn less than £10,000 per annum and 25 per cent of solicitors in small firms (partners numbering four or under) earn less than a senior school teacher. A recent Coopers and Lybrand report estimates that, within the next five years, 20 to 25 per cent of firms will disappear.

It is not as though conveyancing fees were high. In 1993, the Woolwich Building Society survey found that our conveyancing fees were the cheapest in western Europe.

The British public is used to a high standard of service from all its professions. But the public cannot have professions that are skilled, efficient and incorruptible, and also have them cheap. Still less can it reasonably demand that an ill-paid profession should pick up the bill for all its aberrant members.

The writer is president of the Law Society

Good-bye battery



Seiko Kinetic®. The first and only quartz watch that generates its own energy from your every movement. The perpetual accuracy of quartz – naturally, without a battery, its tiny powerhouse converts even your slightest movement into electrical impulses. Ecologically sound and ultimately reliable. Seiko Kinetic is so efficient that you only need to wear it for one day to ensure enough energy reserves to last at least a week. Wear it continually and it will never let you down. It's built to last. Someday all watches will be made this way.

SEIKO KINETIC

Mixed reception: Chancellor emerges undoubted winner in battle with Governor of Bank of England □ City divided on scale of the reduction

UK paves way for world-wide fall in interest rates

PAUL WALLACE
Economics Editor

Interest rates were last night set to fall around the world. Following Britain's quarter-point fall to 6.5 per cent, Germany is expected to shave rates today and New York markets are already pricing in a rate cut.

Wall Street surged late yesterday, sending the Dow Jones Industrial Average index through 5,200 to record levels. In the UK, Kenneth Clarke's decision to cut rates brought to an abrupt end the shortest and shallowest interest rate cycle in recent history.

The decision to cut rates by only a quarter point disappointed industry and commerce, but signalled further cuts to come in the new year.

Britain's markets showed muted enthusiasm, with the London Stock Exchange's FTSE 100 index rising fractionally stronger, and sterling strengthened from 82.5 to 83 on the trade-weighted exchange rate index.

In the short sterling contract used by the City to bet on interest rate changes, there was a further hardening in expectations that further rate cuts were on the way. By the end of the day, it was implying base rates of 6 per cent by June.

City economists were divided about the move. Steven Bell, chief economist at Deutsche Morgan Grenfell, said the cut was the right decision because conducting monetary policy was like peering into the fog - "you're less likely to fall into traps if you take small steps."

However, Roger Bootle, chief economist at HSBC Markets, said the decision to cut by a "niggardly" quarter of a point was both timid and dangerous, given the ebbing away of confidence in the real economy.

There was an equally sharp clash of views over whether the united front presented by Mr Clarke and Eddie George over the decision had restored the credibility of the present monetary arrangements in which the Bank has been given more influence in the shaping of interest rate policy.

The extended stand-off over the summer between the Bank's call for higher rates and the Chancellor's refusal to sanction it had threatened to bring the new system into disrepute.

Mr Bell said that the cut had more credibility because Mr George had recommended it. However, Mr Bootle voiced his suspicion that "there was probably a negotiation before the meeting with Mr George opposed to any cut and Mr Clarke wanting a half per cent, with the quarter point cut emerging as a compromise."

Despite this mixed reception to the cut in rates, one thing is clear: it marks an extraordinary turnaround in expectations. The day after the Bank of England lifted rates last December from 5.75 to 6.25 per cent, the City consensus was that rates had

fallen in the real economy. There was an equally sharp clash of views over whether the united front presented by Mr Clarke and Eddie George over the decision had restored the credibility of the present monetary arrangements in which the Bank has been given more influence in the shaping of interest rate policy.

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much further to go in 1995 - to 8 per cent by June and almost 9 per cent by December. With the economy growing at 4 per cent in 1994 and Britain's sorry track record in curbing inflation, a sustained tightening in monetary policy seemed inevitable.

In the event, rates peaked after one further rise to 6.75 per cent in February. Yesterday's cut in rates acknowledged the reality that growth has slowed much more than had been expected - and that inflation has not accelerated out of control as had widely been feared.

In between came the epic struggle between Mr George and Mr Clarke over the call by the Governor of the Bank of England for a further hike in rates in May. Apparently as much to the surprise of his own Treasury officials as to the Bank, Mr Clarke unexpectedly overrode Mr George's recommendations that a further jump in rates was needed to offset the inflationary effects of the 5 per cent fall in the pound in the first half of the year.

The Chancellor undoubtedly emerged the winner in this first trial of strength under the new monetary arrangements that had given the Bank more influence in the shaping of interest rate policy. But he came out on top principally because the economic indicators went his way rather than the Governor's.

Growth, which had initially been thought to be running at 0.8 per cent in the first quarter of the year, equivalent to an annual rate above trend, was revised down to 0.6 per cent. Still more worrying, the expansion of the non-oil economy in the third quarter of 1995 slowed still further to just 0.3 per cent, well under half the underlying rate

of growth the Treasury now thinks the economy can sustain. Back in May, the Bank's central forecast for inflation targeted by the Government - retail prices excluding mortgage interest payments - was that it would peak at almost 4 per cent early next year and that it would

be at 3 per cent at the beginning of 1997. In November, the Bank still cautioned that inflation would be just over the Government's target of 2.5 per cent or less in two years.

"Our view has changed," Mr George told a press conference after the decision to cut rates.

New information since the November report pointed to an improved outlook for inflation, such that the Bank now thought the Government would probably hit its inflation target.

Today's figures for inflation will provide an early test of the credibility of the decision.

Richard Brown, deputy director general of the British Chambers of Commerce, said the figures were nothing to get excited about. "The position in the high street remains relatively subdued. Much as we would like to see consumer confidence picking up, we are not seeing the beginning of a consumer boom."

The biggest factor behind November's advance in sales was a 2.7 per cent recovery in sales of clothing and footwear, probably

mainly due to the onset of normal winter weather after a mild October. Sales of household goods and department store sales also improved in November. Sales at food stores were flat, and have fallen 0.9 per cent in the latest three months.

Clair Barr, an economist at Deutsche Morgan Grenfell, said this pattern probably reflected consumers' sensitivity to price increases. Food prices have been rising faster recently.

The Chancellor said rapid growth in the money supply measures was puzzling at a time of such marked slow-down in the economy.

Referring to the fall in unemployment last month, the 27th in a row, the Chancellor said labour reforms meant the sustainable unemployment rate was lower than it used to be.

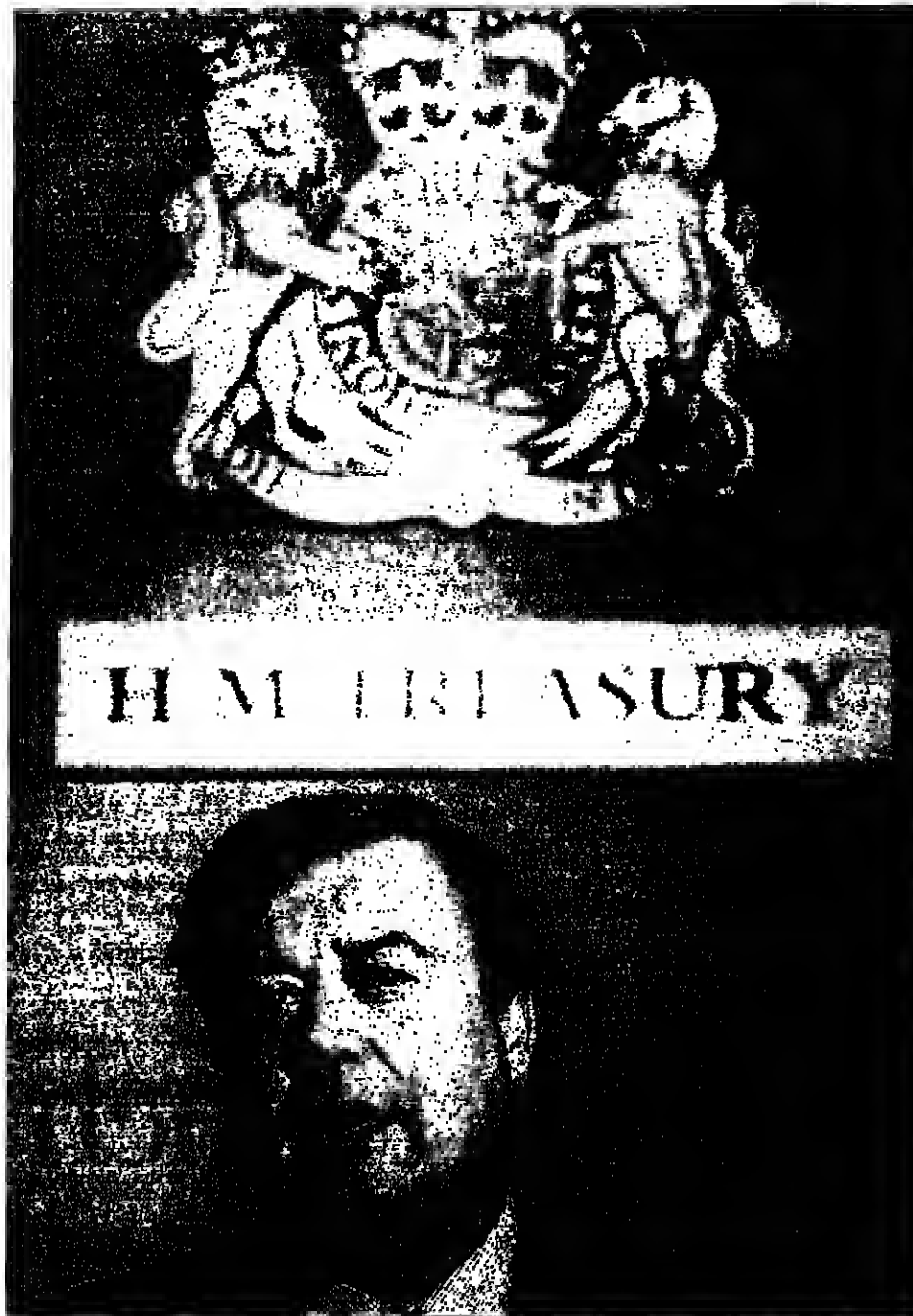
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Vindicated: Kenneth Clarke at the Treasury yesterday after announcing a quarter-point fall in rates. Photograph: Edward Sykes

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DIANE COYLE
Economics Correspondent

Kenneth Clarke, Chancellor of the Exchequer, said the economy was likely to grow by less than his 2.7 per cent forecast this year before picking up in 1996.

Mr Clarke told MPs that the fact that interest rates could be cut from a level of 6.75 per cent at this stage of the economic recovery showed that there had been a remarkable transformation in the British economy. Speaking before the Treasury Select Committee he also said he was more confident than ever that the Government would hit its inflation target.

However, the Chancellor sounded a note of caution about prospects for future rate cuts. These would depend on month-by-month evidence. "We've not spent our time achieving a low-inflation recovery in order to throw it away."

In an echo of Nigel Lawson's dismissal of "teenage scribbles" when he was Chancellor, Mr Clarke said he had learnt "not to take any notice of panic-stricken advice and day-to-day reactions". He added that now the public finances had been brought under control the Government had begun to reduce taxation again.

Mr Clarke said the main question at yesterday's meeting with Eddie George, Governor of the Bank of England, had been whether to cut rates by a quarter or a half. Mr George had recommended a quarter-point cut, which Mr Clarke had been minded to make anyway.

Yesterday's buoyant figures, especially a record number of new vacancies, and recent exchange rate weakness, had prompted caution. A falling pound was inflationary, Mr Clarke said. Mr George told the

same committee last week that he still believed he had been in haste to recommend an increase in base rates last May, when the Chancellor turned down his advice. Mr Clarke said yesterday he still thought he was right too. "About that decision in May, Eddie and I quite amicably agree to differ."

Mr Clarke said the possibility of a disagreement had reinforced the credibility of the system. It was a proper framework for decision-making. "It was not a row, it was a finely balanced judgement. It is not too surprising that neither of us have changed our minds."

Asked whether he had had luck or shown judgement, the Chancellor said: "Some say it was lucky, some say it was the right decision." Mr Clarke said growth was likely to be below the forecast of 2.75 per cent this year, although above 2 per cent. He stood by his forecast of 3 per cent growth next year. The strength of overseas markets and consumer confidence would play a role. "I do not accept that the only thing that will affect the economy is what we do with interest rates."

Mr Clarke added that interest rates were not being used to target a particular growth rate. Nor was it possible to read off from his forecast a prediction for interest rates. He admitted that the slowdown this year had been more marked than he expected.

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Fall in unemployment and stronger retail sales raise hopes

The economy was surprisingly buoyant in November, figures on unemployment and retail sales suggested yesterday, writes Diane Coyle. Unemployment fell to its lowest level since May 1991. Retail sales volumes grew by more than expected after a lacklustre performance in recent months, although the underlying trend remained subdued.

However, there was no sign that falling unemployment has put pressure on wages. Economists expect

the higher recent level of pay settlements to raise earnings growth before long, but underlying average earnings growth remained unchanged at 3.25 per cent in October, and in manufacturing was the lowest since the series began 15 years ago.

City economists are optimistic about the retail price index due today - and available to the Chancellor and Governor yesterday. Kevin Darlington, an economist at Hoare

Govett, said: "The labour market is continuing to give the signals we would hope to see at this stage of the recovery."

The number claiming unemployment benefit fell by 22,400 to 2,244,500 - 734,000 below its peak in the recession. Unemployment was lower in all regions. Yesterday's labour market figures also provided other evidence of encouraging strength. The number of vacancies available at Jobcentres last month

reached its highest level since May 1990, while the number of new vacancies posted was a record.

There was an increase of 13,000 in employment in manufacturing industry in October, mainly in the food, drink and tobacco sector, after three successive monthly falls. The number of manufacturing jobs was 55,000 higher than a year earlier.

Figures for the total workforce in

employment showed a perplexing fall of 22,000 in the three months to September. But as this was almost entirely due to a drop in self-employment, many economists expect this to be revised.

Last month brought an increase of 0.6 per cent in the volume of retail sales, the biggest rise by far since February. Taking the latest three months, a better guide to trends, the rise was only a modest 0.1 per cent compared with the previous three months.

Richard Brown, deputy director general of the British Chambers of Commerce, said the figures were nothing to get excited about. "The position in the high street remains relatively subdued. Much as we would like to see consumer confidence picking up, we are not seeing the beginning of a consumer boom."

The biggest factor behind November's advance in sales was a 2.7 per cent recovery in sales of clothing and footwear, probably

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Pearson reshuffle sets succession fight scene

NIGEL COPE

Pearson, the media group which owns the *Financial Times*, announced a boardroom reshuffle yesterday which paves the way for a three-way battle for the top job when the chief executive, Frank Barlow, retires.

The changes were announced together with a gloomy trading statement which knocked almost 10 per cent off Pearson shares. The company warned that this year's profits will be hit by heavier-than-expected restructuring charges and significant job losses. Analysts downgraded profit forecasts as the shares fell 49p to 667p.

Pearson has addressed the succession question by saying

that Mr Barlow will continue as chief executive until the annual meeting in May 1997. A successor will be announced then, the company said.

As the company is thought to favour an internal candidate, that puts three men in contention. One is John Makinson, managing director of the *Financial Times*, named yesterday as the group's new finance director. He will replace James Joll next April. Mr Joll, who is 59, will leave the board at the end of 1996.

Another candidate is Greg Dyke, the head of Pearson TV, who will be promoted to the main board in March. It is the first time Pearson has granted a boardroom seat to one of its

divisional chiefs. David Bell, who is chief executive of the *Financial Times* group, will also join the board in March and is a possible heir-apparent.

The changes were welcomed in the City, which has been looking for fresh blood on the Pearson board. Pearson said yesterday that its re-organisation costs would cost around £45m instead of the £12m previously expected. The company has already made significant redundancies at Westminster Press and at the *Financial Times*, where the Isle of Dogs printing plant was closed.

It is now spending a further £32m cutting backroom office costs, which will require further redundancies.

Hobson agrees £121m bid from Hilldown

JOHN SHEPHERD

Andrew Regan will today celebrate his 30th birthday as a self-made multi-millionaire after agreeing yesterday to a £121m bid from Hilldown Holdings for Hobson, the company he has transformed in just two years from being a supplier of condoms to Nigeria into a food manufacturing business.

He owns 10 million shares and has options at 27p each on a further 5 million. Hilldown's cash offer is pitched at 31p a share, tipping a total of £3.2m into his bank account before the customary letter from Her Majesty's Inspector of Taxes lands on the doormat.

Mr Regan, chief executive

and son of Bill Regan, the company doctor drafted into Spring Ram, is also on a two-year contract, paying a basic £153,000 annually and providing the chance to earn a 100 per cent bonus. However, neither Mr Regan nor other directors have yet negotiated compensation deals with Hilldown.

"No packages have been agreed with executive directors, because I wanted them to make a decision on the takeover offer on behalf of shareholders and not for themselves," he said.

He has no intention of swanning off, but intends to get back into business as soon as possible. "People have asked me where's this money going to get me. I've told them it's all going

back on risk. Of course I am going to carry on," he said.

A friend of Mr Regan said he would not be surprised if he launched himself at another quoted company. Before Hilldown came on the scene, Hobson had run the slide rule over dozens of potential targets.

Hobson has held protracted negotiations with Hilldown for several months. For its money, Hilldown will be getting a company largely built up through acquisitions. Deals under the stewardship of David Wigglesworth, chairman, and Mr Regan, chief executive, notably include last year's £111m purchase of the food manufacturing arm of the Co-operative Wholesale Society.

Graduate

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See pages 13-14, 16-19 section two

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STOCK MARKETS					
FT-SE 100	Dow Jones	Nikkei	FTSE 250	FTSE 350	FT Small Cap
3662.40	+7.50	+0.2	3680.40	2954.20	3.94
3710			3691.30	3800.90	3.88
3670			3691.30	3800.90	3.88
3650			3691.30	3800.90	3.88
3630			3691.30	3800.90	3.88

Index	Close	Day's change	Change (%)	1995 High	1995 Low	YTD (%)
FTSE 100	3662.40	+7.50	+0.2	3680.40	2954.20	3.94
FTSE 250	3691.30	+8.80	+0.2	3691.30	3800.90	3.88
FTSE 350	1812.40	+3.80	+0.2	1821.50	931.00	3.86
FT Small Cap	1938.68	-0.82	-0.0	1993.11	1678.61	3.34
FT All Share	1785.58	+3.40	+0.2	1837.78	1486.28	3.82
New York	5198.41	+23.49	+0.5	5198.41	3832.08	2.27
Tokyo	19283.48	-29.29	-0.2	19884.04	14485.41	0.781
Hong Kong	9920.88	-6.41	-0.1	10032.83	6967.53	3.871
Frankfurt	2270.80	-19.97	-0.8	2317.01	1910.96	1.961
Paris	1893.76	-15.16	-0.8	2017.27	1721.80	3.281
Milan	9074.00	-51.00	-0.6	9911.00	8737.00	1.741
Madrid	312.80	-1.48	-0.5	318.96	204.06	-

*Dow Jones at 1500 hours. New York graph at 1400 hours

FT/BBF World Index Value

INTEREST RATES					
Short sterling	UK medium gilt	US long bond	Money Market Rates	Bond Yields	
6.53	6.25	7.42	1 Month	1 Year	Long Bond
5.50	5.50	5.73	3 Months	2 Years	10 Year
0.31	0.34	1.35	6 Months	3 Years	30 Year
4.13	3.72	8.09	9 Months	4 Years	40 Year

MAIN PRICE CHANGES					
Wines	Price (p)	Change (p)	% Change	Fats	Price (p)
Pearson	354	19	5.6	Pearson	618
Chubb Security	316	10	3.3	Chubb Security	519
Hilldown	160	8	5.3	Hilldown	709
Pinkney	188	6	3.2	Pinkney	149.5
Hilldown	148	5	3.6	Hilldown	153.6

CURRENCIES					
£/\$	£/DM	£/¥	Pound	Dollar	
1.5325	0.6528	1.5822	Yesterday	Change	Year Ago
1.5320	0.6527	1.5822	1.5320	+0.01	0.640
1.5320	0.6527	1.5822	1.5320	+0.01	0.640
1.5320	0.6527	1.5822	1.5320	+0.01	0.640

OTHER INDICATORS					
Yesterday	Day's change	Year Ago	Index	Latest	Yr Ago
Oil Brent	17.85	+0.02	19.08	RPI	149.8
Gold	387.75	+0.75	379.1	GDP	106.8
Gold	258.02	-0.07	243.84	Base Rates	-6.75pc

*New York rates and 90 Day Treasury bill at 1300 hours

Source: FT Information

A rate deal cooked up to restore harmony



COMMENT

Eddie George was left in a highly vulnerable position. A further overruling at the hands of Mr Clarke would have done nothing for his credibility.

Kenneth Clarke and Eddie George pulled out all the stops to present a united front on the decision to cut rates by a quarter point. We were saved the old chestnut about singing from the same hymnbook, but the intention was clear: a state of harmony has been restored to the previously discordant relationship between the Chancellor and the Governor of the Bank of England. Most of us are left unconvinced. The suspicion is that the Chancellor wanted more and the Governor wanted less; that a quarter point down was the deal cooked up before the meeting.

Such no doubt unworthy thoughts are inevitable after the clash between Kenneth Clarke and Eddie George over the summer. While that had the fortunate side-effect of turning the draft pursuit of economic policy by the dedicated number-crunchers of the Treasury and the Bank into a spectator sport, the players were not so happy. Despite his protestations to the contrary, Mr George was left in a highly vulnerable position. A further overruling at the hands of Mr Clarke would have done nothing for his credibility.

And yet much the same could be said of the Chancellor. If he had ridden roughshod over the Governor in pressing for a cut in rates, critics would have had a field day. The charge would be that the new monetary arrangements had comprehensively broken down and we were back to interest rates set

solely according to the dials of the political and electoral imperatives of the day.

The need for a compromise was thus pressing from both sides. How fortunate, from this perspective, that according to Mr George, the new data since the Bank's November inflation report had pointed so conclusively to a further downward revision in the Bank's projection for inflation two years hence. How fortunate, too, that that earlier forecast of inflation teetered on the brink of the target of 2.5 per cent or less.

Yet it is possible to take a more straightforward view of the decision. As Mr George acknowledged yesterday, growth has slowed down more than expected and cost pressures have subsided. In the Bank's view of the world, the chances are now that the inflation target will be achieved.

The new framework for setting interest rates has always marked an uneasy compromise between full-blooded independence and the previous regime, which gave so much scope for politically inspired changes. It represents the furthest step towards independence that is politically acceptable – witness New Labour's reluctance to go much further. Despite the doubts about credibility, it has made interest rate decisions far more transparent and has forced both the Governor and the Chancellor to be more confident that they can defend their viewpoints. Whatever the

genesis of yesterday's cut in rates, the new arrangements have improved the conduct of monetary policy.

Examination for the spin doctors

To many, Amec's spot of bother with the Takeover Panel must look like more of a good laugh than a matter to be taken seriously. Public relations has long been the unregulated, wild frontier of investment banking (to the eternal gratitude of many journalists) and to see Amec's PR firm coming a cropper by using that time-honoured practice of a little leak here, a little manipulation there, is causing much merriment among those who follow these things.

There is a serious side to it as well, however. By breaking the Takeover Code and, according to Kvaerner, possibly securities law too, Amec's PR advisers may have done their client a great deal of damage. The embarrassment factor alone is had enough. It both discredits and diverts attention from Amec's underlying defence. To cap it all, Kvaerner is now threatening to sue Amec should its bid fail. Such cases are notoriously difficult to make stand up, but this is none the less heavy-duty stuff. As to the wider question of whether the public relations industry should be further constrained, this

is perhaps an issue on which a journalist is not best positioned to comment. In such cases it is all too easy to shoot the messenger. Often these things are done in the perceived interests of the client if not on its outright instructions. The fundamental problem is that when applied to the securities industry, many of the traditional methods of the spin doctor – off-the-record briefings, a favour for a favour, the inspired leak and the manipulative spin – become highly contentious if not outright illegal.

Furthermore, unlike other areas of PR, these are methods applied not just to the narrow confines of the fourth estate. They are also directed, as in this case, at investment analysts and sometimes institutional shareholders. The PR industry often talks of cleaning up its act, of introducing proper codes of conduct and professional disciplines. But old methods die hard.

East Midlands clears out the silver

In mid-1994, East Midlands became the first of the dour regional electricity companies to tart itself up by announcing that it planned to return large sums to shareholders. Last year's glamour puss is today's wallflower. For some obscure reason East Midlands is one of only three Rees not to

have received a takeover offer, despite the fancy clothes and the gaudy make-up, which most of the rest copied. There is obviously no justice on the dance floor.

Nigel Rudd, the chairman who took over in 1994, and Norman Askew, the chief executive, set out deliberately to get rid of previous acquisitions, concentrate on the core electricity business and borrow to reach a more financially efficient gearing level. The shareholder value they have managed to deliver as a result is impressive.

The first payout, of £185m in the form of a special dividend, came in November 1994, days before Trifalgar House set the sector alight by bidding for Northern Electric. Since then there has been £300m worth of National Grid shares and yesterday the announcement of plans to take the total dividend over 16 months to more than £720m, with a £238m special dividend next March. That is a staggering amount of money for a company that, at last night's price and allowing for the payment of the special dividend, was worth just over £1.15bn. It means East Midlands will have given back nearly 40 per cent of its value to shareholders, excluding ordinary dividends.

You can argue about the morality, but from shareholders' point of view, clearing out the family silver so effectively before it is taken away by a Labour Party windfall profits tax seems like a pretty good idea.

Kvaerner ponders legal action against Amec

MAGNUS GRIMMOND

Kvaerner yesterday raised the possibility of legal action against the board of Amec after the Takeover Panel attacked its former public relations advisers for breach of City bid rules. The Stock Exchange is already probing trading deals.

Kvaerner, bidding £360m for Amec, said in a statement through its merchant bankers, SBC Warburg, that there were "serious questions" arising from the Panel's ruling, including whether an attempt had been made to create a false market in Amec shares.

Erik Tonseth, president and chief executive of the Norwegian group, said: "We have asked our solicitors to make clear to the current board of Amec that Kvaerner reserves its rights on these matters; we believe that the Panel statement may be but the first chapter in a grim saga."

The move comes just days before the final closing date of the bid on Monday and follows Tuesday's heavy censure by the Panel of Amec's public relations advisers, Financial Dynamics.

The Panel said that a director of Financial Dynamics had made certain comments relating to profits levels of Amec for 1996. The information was not public knowledge. The director is believed to be FD's chairman, Mr Tony Knox.

The profits statement and other unpublished matters relevant to Amec's defence strategy were allegedly passed to an unnamed analyst from a stock-broking firm.

It is thought that a representative from Merrill Lynch



Erik Tonseth: Grim saga

Photograph: FT

was involved and that the telephone conversation was tape-recorded.

Press reports over the weekend of 2 and 3 December had already prompted the Panel to call for written confirmation from Amec and Financial Dynamics that no such information had been supplied to third parties.

Further investigations by the Panel established that there had been such conversations. It ruled that Financial Dynamics had failed to take sufficient care in talking to analysts, "which resulted in serious breaches of the [Takeover] Code".

Financial Dynamics were immediately replaced as PR advisers by rivals Dewe Rogerson following the decision.

Kvaerner yesterday called on Amec shareholders to disregard what it described as these "rumours of future profits". The company is understood to be considering

whether it could take civil action against the Amec board in the event that the bid fails.

The Norwegian group yesterday bought a further 0.9 per cent of Amec's shares, taking Kvaerner's total holding to 23.4 per cent.

It is thought that the outcome of the bid will turn on the decision of small shareholders, who own around a fifth of the equity, and PDFM, the fund manager which speaks for 14 per cent. The Amec management is thought to be holding a meeting with PDFM tomorrow.

Amec shares fell 1p to 99p yesterday, which compares with the 100p cash being offered by Kvaerner.

Because of the large number of convertible preference shares in issue, the Norwegians will need to own or receive acceptances covering 54 per cent of the equity by Monday to clinch the bid.

East Midlands to pay out further £238m

PETER RODGERS
Business Editor

East Midlands Electricity is to pay £238m in a record special dividend, which will bring the total it has paid this way to shareholders to more than £420m.

The special dividend, to be paid in March, is the highest so far among the regional electricity companies and more than the City expected.

But investors were disappointed and the shares fell 30p because of what analysts saw as an ungenerous ordinary dividend

policy compared with other Rees, of 9.2p a share, up 0.6p.

East Midlands pioneered the idea of returning money to shareholders in 1994, with a special dividend of £185m, which was announced well before bid fever broke out in the sector and Rees began to lose their independence.

Norman Askew, chief executive of East Midlands, said there

were no plans to give extra benefits to customers beyond the £54.60 rebate already announced

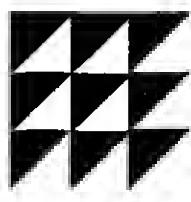
as a result of the flotation of National Grid. East Midlands transferred the value of its Grid stake directly to shareholders.

The company had a "pretty stringent" 29 per cent reduction of revenue to achieve by 2000 as a result of this year's electricity pricing review by Pro-

fessor Stephen Littlechild, the regulator. "We don't intend to do any more," said Mr Askew.

Domestic customers were paying 13 per cent less in real terms than a year ago and a spokesman said there had been £700m of price cuts to customers since privatisation.

The special dividend will raise the company's gearing to about 80 per cent.



AMEC

Shareholder information update.

AMEC's response to Kvaerner's offers.

To hear your Board's advice call 0800 77 11 77.

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Forte says 5,000 jobs threatened

JOHN SHEPHERD

Forte yesterday claimed that Granada's reputed boast that it could save £100m in costs if its £3.3bn hostile takeover bid succeeds could affect up to 5,000 jobs, equal to one in 10 of the workforce.

A spokeswoman for the besieged hotels company said: "We don't think they can do it [save £100m]. Our wage costs are the lowest in the industry."

A breakdown of Granada's savings figure in recent press reports showed that the television company aimed to lop £40m off Forte's purchasing bills, £35m from central costs and £30m from the payroll, she added.

Forte yesterday requested the Takeover Panel to ask Granada for "formal clarification" of its claims that it could save £100m. The panel does not comment on individual aspects of a bid unless it makes an official ruling.

A spokesman for Granada accused Forte of "mischief-making". He added: "We are totally confident of our analysis of this underperforming business." Granada has made no official statement on the cost savings it could extract from Forte.

Meanwhile, rumours are intensifying that a disposal of Forte's White Hart chain of hotels is imminent.

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IN BRIEF

Barclaycard moves into business buying

Companies will be able to buy in temporary staff by credit card from today with the launch by Barclaycard of a revolutionary corporate purchasing system. Adopting the same credit card principle used by individuals, Company Barclaycard Purchasing enables businesses to buy from each other on credit, cutting out costly administration.

Ferguson restates shareholders' funds

Ferguson International Holdings, the labels and electronic components company, has agreed to restate shareholders' funds in its next set of accounts after intervention from the accounts watchdog, the Financial Reporting Review Panel. The panel had been unhappy about the treatment of goodwill relating to the company's 1994 acquisition of the print and packaging group Elswick.

Water watchdog wants separate listings

Ian Byatt, director general of the Office of Water Services, yesterday called for a separate Stock Exchange listing for merged or taken-over water companies. He has already proposed such a measure for the Welsh Water takeover of Swalec, the electricity distributor, and said he had suggested the same to North West Water, which has taken over Norweb. He believes it would formalise the arm's length relationship between the regulated businesses.

QVC home shopping centre for Merseyside

QVC, the American TV shopping company, is to create 1,100 jobs at Knowsley, Merseyside, by establishing a new £14m call centre to cater for home shopping. The decision was taken after competition from several other European sites.

Management shake-up at BA

British Airways announced a big shake-up of its top management following the appointment last month of Robert Ayling as chief executive. The number of senior executives reporting directly to the top has been reduced from 25 to 11, although the changes have led to only two departures from the company, of which one is a retirement.

Fallon joins Dublin newspaper group

Ivan Fallon, a former deputy editor of the *Sunday Times*, has joined the board of Independent Newspapers, the Dublin newspaper group. Mr Fallon is currently deputy chief executive and group editorial director of Independent Newspapers of South Africa.

business

THE INVESTMENT COLUMN

Edited by TOM STEVENSON

Chubb locks into growth abroad

It is a measure of Chubb's geographic and product diversity that the moribund construction market and a contracting banking industry in Europe were no more than an irritation to the fire protection and security group. Good growth elsewhere more than made up for a downturn in those markets and the steady improvement since Chubb was spun off from Kvaerner in 1992 continued.

Pre-tax profits of £44.4m in the six months to October were 13 per cent better than a year ago, bang in line with expectations. They were struck from a 5 per cent increase in turnover to £383.2m. Earnings per share were up 17 per cent at 9.6p and the interim dividend increased 12 per cent to 2.32p.

When Chubb was demerged it was making an unexceptional return on sales of almost 17.0m, hardly capitalising on its unrivalled stable of brand names. A four-year plan was implemented to widen margins and lift market share which, just over half-way through, appears nicely on target.

As the chart shows, operating margins have improved markedly in both the alarms and locks businesses. That has led to an impressive increase in cash generation, and a £65m debt burden four years ago has been transformed into a £6.5m cash pile.

How the company chooses to spend that money will be key in determining whether the current good but hardly heart-stopping growth continues or shows a noticeable improvement. In a fragmented market, picking up small acquisitions of £20m-£50m is the likely expansion route. There is no shortage of opportunities. Chubb is represented in more than 100 countries around the world, and while the developed countries of the West can only be expected to replace their existing stock of locks and alarms many other markets have enormous potential. The scope for growth was underlined during the first half by orders pouring in 4 per cent faster than sales went out.

To satisfy that demand, an £8m investment programme is under way to build three new fire product and safe factories in Indonesia, South Africa and China. Given 13 per cent sales growth from physical security in Asia, Australasia and Africa, compared with no change in America and Europe, that is a sensible allocation of resources.

With no real surprises, analysts left their forecasts for this year and next broadly unchanged with a consensus expectation of £100m before tax in the

year to April and £110m next time. After yesterday's 13p rise to 313p, the shares trade on a prospective price-earnings multiple of 15, falling to 13. Despite drifting from a peak of 406p early last year, the shares are still not obviously cheap. Fairly priced.

Smith surmounts paper problems

David S Smith exemplifies the problem facing investors in the paper industry. Like its peers, Britain's largest maker of recycled paper and leading wholesaler of office stationery is looking forward to several more years of rising demand. But the industry is notorious for its over-optimism, as last month's profits warning following earlier confidence at Arjo Wiggins amply demonstrates.

It is now clear that this year's de-stocking has been more than just a hiccup, an impression that is borne out by the volatility in the price of waste paper this year. Having more than doubled and then halved in the space of under 12 months, the price of a key ingredient

for over 90 per cent of Smith's production has made life extremely difficult.

It is testimony to the strength of the management that Smith has been able to lift pre-tax profits by nearly 48 per cent to £59.6m in the six months to October. Its decision to raise the half-way payment to shareholders by 15 per cent to 2.45p suggests it remains confident about prospects.

In fact, the company is rightly being cautious over the outlook. It has managed to widen margins in its main paper and packaging operation from 11.4 to 12.7 per cent as selling price increases have been pushed through even faster than the soaring cost of waste paper. But in doing so Smith admits that it has lost share in a packaging market that has itself seen growth slow from 5 per cent in 1994 to 1 per cent in the first 10 months of this year.

Smith's defence against any cyclical downturn lies in the Spicers wholesaling business and the group's niche in waste paper. As well as providing greater input cost stability than wood pulp, substitution means Smith's St Regis Paper operation saw demand rise 7 per cent against a market up by only 1 per cent.

These qualities may not be sufficient if demand falls off a cliff, though. Profits of £120m this year would put the shares - at 255p, up 6p - on a modest prospective multiple of 9. Fading bid hopes give some support, but the shares are likely to remain dull.

Disappointment as MFI slides

Given the fragility of the housing market, it is hardly surprising that DIY and furniture retailers have been struggling even more than the rest of the high street. The last few weeks have seen grim news from Magnet, which is part of Berrisford, and Spring Ram, the kitchens and bathroom manufacturer. Yesterday it was MFI's turn to disappoint, with pre-tax profits down 30 per cent to £20m in the six months to November. On top of this MFI rolled out a tale of falling margins, flat sales and rising costs.

In some ways MFI has been unfortunate as it has tried to do some of the right things only to be dlobbered by unexpected nasties. It has been moving more production in-house to improve margins and the proportion of MFI in-house manufacturing has risen from 52 per cent of sales to 55 per cent.

However, the company did not count on the massive rises in the price of raw materials such as chipboard, which have shaved its gross margin from 53 per cent to 51 per cent. With higher payroll costs caused by the increase in manufacturing capacity, the net operating margin has shrunk even more dramatically from 8.4 per cent to 5.7 per cent - although the worst should now be over on this front.

MFI has also been revamping stores under the Homeworks name. These stores stock houseware products as well as furniture and enable the company to attack new markets and move away from its downmarket image. MFI now has 27 stores in the new format and will convert a further 35-40 in the next year. Sales in the conversions are up 10 per cent. If the trial is successful all 184 branches will be changed to Home-works.

Analysts are forecasting profits of around £60m for the full year. With the shares 0.5p lower at 153.5p the shares are on a recovery stock forward rating of 22. But much depends on an improvement in consumer spending and an uplift in the housing market. Hold.

Simon Pincombe CITY DIARY

JP Morgan snatches a \$1m steak in Harlem

Harlem is in for a rude shock. It is about to be invaded by droves of Wall Street bankers. JP Morgan, the Ivy League institution, is taking a stake in Sylvia's, the famous soul food restaurant in the heart of the dangerous New York neighbourhood.

The bank and two other investors will pump in more than \$1m to help promote Sylvia's flagging sauce and spice products business. Morgan believes that a paltry \$1m annual turnover could go as high as \$100m.

The colourful restaurant is about the only place in Harlem where a banker would be seen alive. It grew from a handful of seats to a 500-table tourist attraction. But the food products sideline, launched in 1992, has not taken off.

There is an untapped market out there and this product has name recognition," intones Nancy Ybisker, president of the bank's community development arm. Whether staff will be lunching in Harlem is not revealed.

They will be learning Gospel singing next.

Expect some glowing research on HP Bulmer in the not-too-distant future. The cider-maker, which reported half-year figures yesterday, took the precaution of dispatching a crate of its hooch to every relevant City analyst last week. For research purposes only, you understand.

Further fuel for thought on the matter of the Brazilian electricity privatisation.

The Granada bid for Forte may have to be abandoned. The 1994 trust deed governing the Council of Forte (and giving the guardians of temperance 50 per cent of the votes for less than 0.1 per cent of the shares) is an impenetrable document. But it appears to decree that the council must hold the capital and income of the trust fund "until the expiration of 20 years from the death of the last survivor of the issue of Her Late Majesty Queen Victoria living at the date of the principal deed".

Mum, a leaf through Burke's Peerage appears to be in order.



Culture shock: Harlem may be seeing more Wall Street bankers

You will recall that the City was not exactly beating a path to the door of Garatia, the Brazilian brokers, because of the notorious "dead cat problem" - a graphic term for the high level of unauthorised tapping to which the system is prone.

Impoverished Sao Paulo residents are in the habit of clipping on their personal jump leads to overhead power cables when they need to turn the lights on. To do that they need to short-circuit the system (and that is where the doomed stray cat comes in). We now discover that the potential for loss of revenue is even greater. In fact Sao Paulo residents are but amateurs compared with the sophisticated power thieves of the Orient.

Take Hong Kong, for example. Not only does half

the population own a personal pair of crocodile clips, but there is also a thriving market in stolen electricity. Gangs bleed off gigajoules of power, according to one industry source, and sell it through the warrens of flats.

And the rates are very competitive. If you buy illegal power you do not pay by the unit. The criminals charge a flat fee no matter how much power you use - one rate for, say, a fridge and another for a television.

In the UK, of course, we have been more concerned with the fat cat problem than the dead one.

Among the helpful tips on sensible eating this Christmas comes advice from Air Miles on what to do if a business lunch goes horribly wrong - think of something witty. It recalls the incident of a businessman who dropped a wine glass on to his fork, which happened to be wedged under his fillet steak at the time. The steak was catapulted across the table and landed on the plate of an important client.

"Why don't you try some?" inquired the businessman.

IN BRIEF

PolyMASC placing 10 times subscribed

PolyMASC Pharmaceuticals' placing to raise £4.47m was 10 times subscribed, the fledgling biotechnology group revealed yesterday. The group, which grew out of research at the Royal Free Hospital School of Medicine in London, will be capitalised at £20m when dealings on the Alternative Investment Market begin on 19 December. The prospectus, published yesterday, confirms that the medical school will retain a 26 per cent stake, with the founding scientists holding nearly 32 per cent.

Fallon on Independent Newspapers board

Independent Newspapers, publisher of the *Irish Independent*, said it had appointed Ivan Fallon to its board. Mr Fallon is deputy chief executive and group editorial director of Independent Newspapers of South Africa. Separately, Independent Press Holdings, the holding company for Independent Newspapers and the O'Reilly Trust, announced that it had increased its stake in Wilson & Horton, a New Zealand publisher, from 43.83 to 45.15 per cent.

Kwik Save shares tumble on warning

An unexpected warning on margins led shares in Kwik Save to fall sharply yesterday. They closed 39p lower at 519p as analysts worried about how the group would claw back costs from suppliers during the crucial Christmas period. While the statement was not detailed, it is understood that the retailer felt that City forecasts were too high and issued the warning to correct expectations. SBC Warburg downgraded from £130m pre-tax profit this year to £116m after the statement.

Williams boosts firepower

Williams Holdings has boosted its fire protection division with the acquisition of two companies in North America. Dual Spectrum, based in California and the US market leader in high-speed optical flame sensors for military vehicles, had sales of \$17m last year and is costing about \$16m. Pyrene Canada, based near Toronto, supplies the market with a range of industrial and commercial extinguishers and is being bought for \$34.6m (£22.2m).

Sherwood nets £5.8m from City Deal sale

Sherwood Computer Services has sold its 80 per cent holding in execution-only stockbroker subsidiary City Deal to Cater Allen for £5.8m. Cater is paying £7.25m in total for the company. Proceeds of the sale will be used by Sherwood to fund investment in its core businesses of supplying computer products and services to the insurance and assurance markets.

Chemring profits leap 33%

Chemring, the explosives to marine leisure and specialist clothing business, announced a 33 per cent increase in pre-tax profits to £8.6m for the year ended 30 September 1995. It recommended a 7.3p final dividend, making a total dividend of 10.9p, up 11 per cent on 1994. The group saw an 18 per cent increase in export turnover.

COMPANY RESULTS

	Turnover £	Pre-tax £	EPS	Dividend
Apollon Metals (F)	57.1m (33.7m)	3.17m (0.25m)	7.7p (4p)	2.5p (2.4p)
Balgownie Brick (F)	36.1m (37.7m)	4.7m (5.8m)	7.50p (8.60p)	3.125p (3.125p)
Birkley (F)	27.2m (32.15m)	3.8m (4.13m)	6.3p (8.2p)	2.2p (2p)
HP Bulmer (F)	137m (130m)	13.9m (14.2m)	16.44p (17.31p)	4.55p (4.25p)
Channing Group (F)	71.1m (53.1m)	8.61m (8.40m)	24.2p (21.3p)	10.80p (8.5p)
Cleithro Security (F)	385m (385m)	44.4m (39.2m)	9.5p (8.2p)	2.5p (2.25p)
Coventrydale Prope (F)	148m (149m)	10.6m (9.5m)	12.7p (16.3p)	2.8p (4.21p)
East Midlands Elec (F)	562m (619m)	96.7m (86.0m)	24p (20.2p)	9.2p (8.5p)
First Technology (F)	18.1m (16.4m)	3.20m (2.80m)	13.5p (11.77p)	3.2p (2.8p)
Grangeley Trust (F)	45.2m (39.2m)	6.1m (5.7m)	17.5p (18.9p)	5p (5.5p)
MFI (F)	381m (383m)	20.1m (29.0m)	2.37p (3.2p)	1.5p (1.5p)
David S Smith (F)	613m (475m)	59.6m (40.4m)	14.8p (10.4p)	2.45p (2.125p)
Stirling Group (F)	48.25m (38.0m)	2.08m (2.22m)	1.51p (1.7p)	0.83p (1.7p)

(F) - Final (I) - Interim (M) - New months

City welcomes Tomkins' \$1bn Gates buy

TOM STEVENSON
Deputy City Editor

The City yesterday welcomed news from the bus-to-guns conglomerate Tomkins that it has found a sensible use for its fast-growing cash pile. The proposed \$1bn (£635m) acquisition of Gates Rubber made analysts doubly happy because it appeared to be taking the group back to its engineering roots. The shares rose 7p to 269p.

The change in sentiment towards Tomkins follows three years during which the shares have stagnated as investors failed to appreciate the commercial logic of the group's last big

acquisition of Ranks Hovis McDougall. That move was damned for taking the group into the volatile world of bread prices and for flooding the market with shares.

Gates Rubber, which makes power transmission belts and hoses for the automotive industry, is a family-owned Denver business with turnover of about \$1.5bn expected this year. Tomkins beat off offers from two other bidders to secure the deal which is expected to be completed in the first quarter of next year.

Although details are still sketchy, the market welcomed the fact that the deal will be funded by the issue of con-

vertible shares to Gates rather than another rights issue. The £900m RHM acquisition was paid for with a one-for-two rights issue, hard on the heels of a £325m cash call the previous year to fund the purchase of Philips Industries of the US.

Geoff Allum of Henderson Crosthwaite said the deal was just the sort of acquisition Tomkins should be making. "It's darned good news. It looks a very positive deal for Tomkins on the information so far available," he said.

Zafar Khan at Société Générale Strauss Tarnbull agreed: "It's a sensible deal and one that the market will warm to."

Full details will not be available un-

til contracts are finalised later this month, but analysts thought the deal would not dilute earnings in its first year in Tomkins. Based on the assumption that Tomkins will pay close to the speculated price of \$1bn and assume \$240m of Gates's debt, it will have to squeeze a 9.5 per cent margin out of sales of \$1.6bn to remain earnings-neutral. Brokers believed that was achievable, with Gates's 13 plants employing 14,000 workers offering substantial scope for savings.

The hope in the City is that the acquisition of Gates will mark a turning point for Tomkins, which has consistently produced excellent results but

failed to persuade investors of its merits. Despite turning in an 18 per cent rise in profits for the year to April with a similar rise in the dividend payout to shareholders, the shares have remained under the cash, rated less highly even than its peers in the out-of-favour diversified industrials sector.

Over the long run Tomkins' performance has been even more impressive. Earnings per share have risen every year since 1984, notching up a compound growth rate of 34 per cent, compared with the average of UK quoted companies of just 7.5 per cent. Dividends have risen 29 per cent a year on average over the past 12 years.

Kimberly's Scott Paper acquisition to cost 6,000 jobs

DAVID USBORNE
New York

One day after its shareholders approved its purchase of Scott Paper for \$9.4bn (£5.9bn), Kimberly-Clark yesterday announced that it would be eliminating a total of about 6,000 jobs within 12 months as it begins the integration of the two companies.

The chairman of Kimberly-Clark, Wayne Sanders, said that 12 of the company's plants would be closed worldwide and that the company expected to take a \$1.4bn restructuring charge in the fourth quarter of this year.

The lay-offs, which represent 10 per cent of the combined workforces of Kimberly-Clark and Scott, are partly prompted by agreements reached with regulators to divest certain brand names and product lines to avoid breaching monopoly requirements. They include Baby Fresh baby wipes.

Some of the plants slated for closure would be in Europe. However, it said that these plants would not be identified until final agreement was reached with the European Commission on a proposal to license the production of Kleenex bathroom tissue in the UK and Ireland.

Together, Kimberly-Clark and Scott will be a behemoth in the consumer products sector, coming second in size in the US only to Procter & Gamble, with annual revenue expected to be about \$12bn.

Its brand line will include Kleenex, Scott, Huggies, Kotex and Depend.

Of the jobs to be lost, slightly more than half will come from the plants that are to be closed.

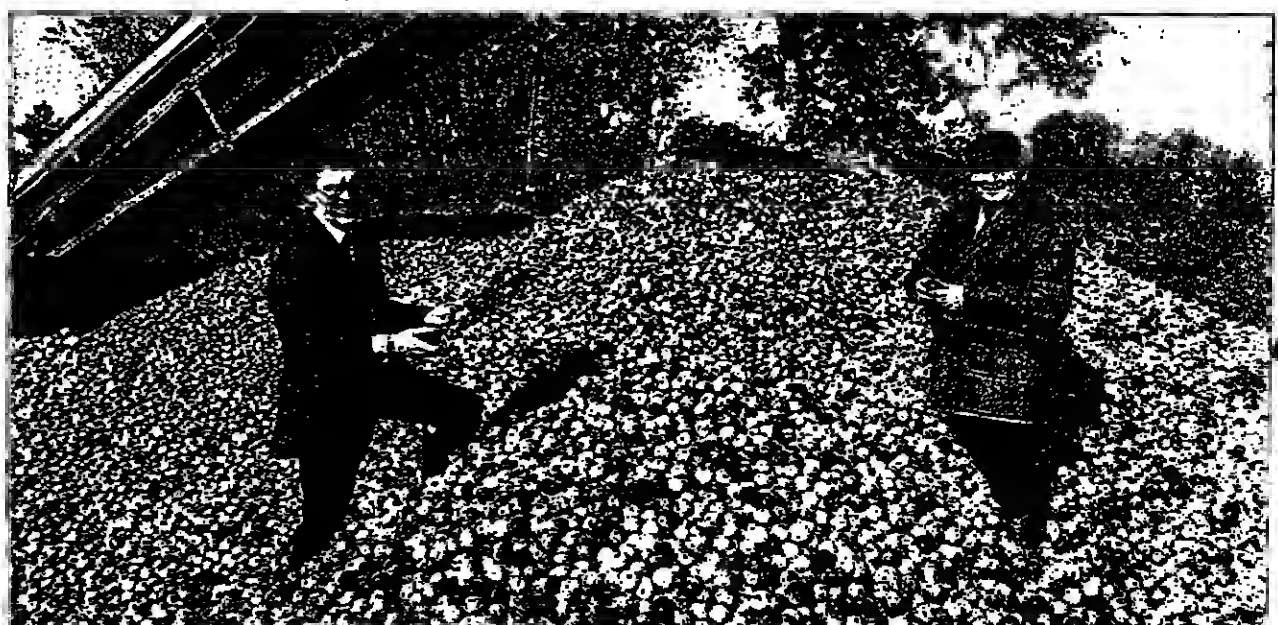
On the fate of those plants, Mr Sanders told analysts: "We will make every effort to sell these as operating businesses." Pending the final EC decision, expected next month, Scott and Kleenex will continue to operate as separate companies in Europe, he added.

The Assistant US Attorney General, Anne Bigaman, meanwhile defended the Justice Department's insistence that Kimberly-Clark divest Baby Fresh and the other product lines before being given anti-trust clearance.

"Tissues and baby wipes are used by millions of American families every day across the country. We can't allow a merger to proceed that could raise prices of these household necessities," she said.

Commenting on the company's plans for restructuring, analysts in New York, Mr Sanders said: "This integration plan will improve our competitiveness by creating economies of scale and leveraging company-wide synergies. In short, this plan is about maximising value for our customers and our shareholders."

Mr Sanders said that he expected the merger of the companies to produce savings of \$400m annually by 1997, a year earlier than was originally envisaged.



Harvest time: Bulmer's finance director Alan Flockhart (left) and chief executive John Rudgard

Thirst for cider boosts Bulmer

JOHN SHEPHERD

Cider is being drunk in far greater quantities than even the most optimistic industry analysts had forecast. John Rudgard, chief executive of the market-leading HP Bulmer group, said yesterday that more than 110 million gallons were being drunk each year, and predicted a market size of 150 million gallons by the turn of the millennium.

However, this growth in the market, which has been boosted by the hot summer, may further attract the attention of the Chancellor, Kenneth Clarke. In the Budget he raised the excise duty on strong ciders over 7.5 per cent alcoholic volume by 50 per cent.

The extra tax has added 8p to the price of a pint of cider, and 28p to the popular 2-litre bot-

tles sold by the big supermarket and off-licence chains.

"This is nothing but a tax on success," said Mr Rudgard, who added that he was disappointed by the lobbying by the big brewers to raise taxes on cider - a move he described as "David versus Goliath".

Bulmer, maker of the best-selling Strongbow and Woodpecker brands, sold almost 20 per cent more cider in the six months to 27 October, which boosted profits before tax and exceptional reorganisation costs by 12 per cent to £16m. Investors were encouraged by the result, and the accompanying 7 per cent increase to 4.55p in the interim dividend for the six months to 27 October.

The profits growth lagged behind the sales advance for several reasons, chiefly sharp increases in raw material costs,

which the company will partly offset by raising off-licence prices by 3.5 per cent in January, and a "sharply higher" but unspecified hike in on-licence prices.

West Country farmers, typically producing 30,000 gallons a year of mainly high strength cider, will suffer more than most from the tax increase. This autumn's apple harvest has been fermented and, unless farmers dilute the strength, prices will have to be raised sharply - a move that could meet resistance from the farmers' prime customers, who are typically drawn from low-income groups.

Cider producers have also been hit hard by a 50 per cent jump in prices for apple juice concentrate to £1,200 a ton. This leap is a result of crop failures in the former east Germany and Poland, and a surge in demand for concentrate in America.

Bulmer, however, grows 65 per cent of its apple requirements and has been cultivating more orchards to meet future demand. Many smaller cider companies buy in 90 per cent of their apples.

Industry observers predict more pain for the smaller companies next year once Matthew Clark has integrated the recently acquired Taunton Cider company with Gaymer. "When Matthew Clark comes charging out of the gate, as they will, we will be ready," said Mr Rudgard.

Small producers are already struggling to make profits, a problem created by their drive into the economy cider sector. This move, coupled with the bigger producers pushing hard on premium brands, has exacted its toll on the middle market.

market report/shares

TAKING STOCK

Allied Domecq in ferment amid talk of brewing sale

MARKET REPORT

DEREK PAIN

Stock market reporter of the year



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DATA BANK

FT-SE 100 3,662.4
FT-SE 250 3,662.4
FT-SE 1000 3,662.4
SEAD INDEX 95.07
95.07

SHARE SPOTLIGHT

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Carlsberg, the Danish brewer, shares ownership of CT with Allied. The alliance has not been particularly harmonious as CT has struggled in the highly competitive brewing environment following the Government's controversial Beer Orders.

Bass and Whitbread are regarded as the most likely buyers. Their interest has been heightened by Scottish & Newcastle's controversial acquisition of Courage which allowed

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The position of Carlsberg is clearly crucial to any deal. The Danish group is likely to be reluctant to take CT into full ownership. So it may be prepared to arrange a trading deal with a UK group on the lines adopted by Fosters of Australia when it sold Courage.

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• **Top pilot to guide missile**

[illegible]

The compulsive dice game for compulsive liars

[illegible][illegible]

هكذا من الاعمال

sport

Why Mathis believes lightning can strike twice

When confronted with the widespread notion that he is not expected to provide Mike Tyson with more than just a few minutes of amusement at the Spectrum in Philadelphia on Saturday night, Buster Mathis Jr draws attention to coincidence.

Nobody ever got laid out by coincidence, but in the circumstances Mathis finds it comforting. His first name, for example. The only blemish on Tyson's ring record, a sensational defeat in Tokyo six years ago, was put there by James "Buster" Douglas as a 42-1 underdog. "That's boxing for you," Mathis could be heard saying this week.

Then there is motivation. Douglas gave the one great performance of his career shortly after the death of his mother. Mathis

lost his father, a former heavyweight contender, in September. "Knowing he had faith in me is an inspiration," Mathis added.

Trouble is that in boxing, as in most things, talent usually asserts itself. Nobody, probably not even Mathis himself, believes Tyson is in peril of again being temporarily separated from his senses. So where is the 25-year-old from Grand Rapids, Michigan, going? "I want to get to Mike in the later rounds," he said.

Mathis looks determined but slightly uncertain. Maybe he was trying to remember all the things his father communicated. The most important was this: "Son, you can play football and you can play baseball, but just remember, you can't play boxing."

Buster Mathis Sr also spoke

about facing up to disappointments. "He told me I must always make the best of things, and I remembered that when I knew I wouldn't be fighting Mike last month because he damaged a hand. I thought that might be the end of it, that I wouldn't get the chance again."

Instead of brooding over the loss of an \$800,000 (\$540,000) purse, Mathis concentrated on the cultivation of less violent skills. Taking an eight-day course, he qualified in real estate management. This makes Mathis different but it does not improve opinions of him as a fighter. Nice kid, but has not got enough to hold off Tyson is what the majority say about him in boxing.

It is not that Mathis has scorned the precepts of his tutor,

Ken Jones, in Philadelphia, talks to the man Mike Tyson meets on Saturday

lately Joey Fariello, but simply that he is not good enough. When this was put to one of Tyson's co-managers, John Horne, along with the view that a more durable opponent would accelerate Tyson's rehabilitation, he shrugged. "Who is there?" he said. "I'd like to see Mike taken a few rounds, but the idea always is to get opponents out of there as quickly as possible. I don't think there's a heavy-weight around, Riddick Bowe, Frank Bruno, Lemmy Lewis, who could stand up to Mike for more than a couple of rounds."

An old trick of fight managers is to communicate news of mayhem in the gymnasium, the

damage inflicted on the hired help. Horne is no exception. "There isn't one of Mike's sparring partners who hasn't been knocked over," he said. "I can see him back to his best, better perhaps than he ever was."

Being of more than average intelligence, Mathis is acutely aware of the risk he is taking for 25 per cent less than he was guaranteed before Tyson's injury brought about a postponement. "The ring is a scary place and you always know fear in there," he said. "But when Douglas beat Tyson he exploded a myth. Since then Mike hasn't been such a terror, and we still don't know how much of himself he left in prison."

Mathis and Fariello are encouraged by a video of Tyson's comeback against Peter McNeeley four months ago in Las Vegas. It is difficult to imagine that valid conclusion can be reached from a contest that lasted only 89 seconds, but Fariello insists that briefly masked serious flaws in Tyson's technique. "I know he had McNeeley down quickly but after that he didn't land a worthwhile punch," Fariello said. "Mike was wild, all over the place with his punching, and he didn't look happy with his performance."

Intimidation has always been a big part of Tyson,

That they were about to be battered. Nearly all those guys were beaten before they got into the ring. Well, that's gone. Mike was, and maybe still is, a terrific fighter. Sure, he'll try to take me out in the first minute, but at least I'm ready for that."

To hear Mathis express sympathy for Tyson is the cause of surprise among bystanders. "All that money, all that fame, and yet in my mind so insecure. I just don't understand why he wants to carry on fighting. If I had a small portion of what Mike's got I'd be out of there. I don't have a house, a car or fancy clothes. And nothing would change. I'd still live with my mother."

Mathis is no gift for small talk but his manner is invariably pleasing. Neither does he ever



Mathis: pleasing manner

convey the impression of a man whose accomplishments don't measure up to his own opinions of his abilities. Mathis knows his limitations but considers that he has never been more than 75 per cent of himself. "This is all about two guys in the ring," he said. There is another way of looking at this fight but that would be putting Mathis down. Precisely what Tyson has in mind.

Atherton is toying with the tide

Cricket

DEREK PRINGLE reports from Durban

Michael Atherton's first actions this morning, after receiving his alarm call, will have been to pull back the curtains and study his tide tables. Then having memorised what time high tide was due, he would have tried to ascertain which way the wind was blowing by sticking a moistened finger out of the ninth-floor window of his seafront hotel.

This may have seemed crude and unusual behaviour for a history graduate to be indulging in, but, according to local knowledge, the two acts are crucial. Especially, it seems, if you are the captain of a cricket team in need of a pointer or two and already involved in a Test series levelled at one both all.

Apparently, when the wind blows from the South-west, it is laden with moisture from the Cape, so you must bowl first or take a broil out to bat. However, if the wind is a nor-easter, the sunny weather makes batting and a front-line spinner imperative. Which in England's case would be Richard Illingworth, while South Africa will have plumped for Clive Eksteen.

However, with the ground at Kingsmead situated about half a mile from the Indian Ocean, high tide can also affect the pitch, depending on what time it comes in, offering help to the seam and swing bowlers when it does. If this sounds like poppycock to those who play their cricket inland - or even to devotees of the timeless Test played here in 1939, when 10 days were not long enough to force a result - a similar phenomenon has been observed at Southchurch Park in Southend. There, Essex players have noticed that when the tide comes up the Thames estuary, the pitch would suddenly change from being flat and dry, to one that seamed about.

However, two days ago when the pitch was first revealed, such specialist knowledge would have been unnecessary, and several pairs of batsmen's eyebrows were raised in unison at the first sight of the moist, grassy surface. With low grey clouds scudding about and a nip in the air, one England bowler was heard to remark gleefully

that it was "just like Derby".

Given that the groundsman here at Kingsmead is none other than Phil Russell, an ex-player and former coach of that county, it was not an altogether surprising observation and one which, if prevalent this morning, will have Mike Watkinson installed as a dual purpose bowler in place of the left-arm Illingworth. The Lancashire captain's ability to bowl both seam and spin are, presumably, vital should the tide or wind prove difficult to gauge over the next few days.

Fine tuning selection to this degree is all well and good, providing the remainder of the team are pulling their weight. England's problem at The Wanderers, aside from the irrational decision to field first, is that only five players performed close to their best. Atherton, of course, has been superb in both Tests, as was Graeme Hick at Centurion Park. Russell and Robin Smith, too, have been prepared to fight hard with the bat. Somewhat disappointingly, only Dominic Cook has shone with the ball.

Five-man teams do not win Test matches let alone series and it is time for the other players to contribute more than a passing interest. As Atherton himself pointed out after nets yesterday, England know they have to play better, more consistent cricket. "If we do that," he said, "I believe we'll beat South Africa." He went on to add that whoever won the match here would have a good chance of not losing the series.

With John Crawley, who comes in to fill the troublesome No 3 slot, the only change to the batting line-up, this morning's big decisions would have been over which bowlers to play. Atherton's own hunches are that this is a "swinging kind of ground" and last night Mark Flint and Peter Martin were both named in the 13-man squad.

But, according to Allan Donald, there is also a good deal of pace and carry in this pitch, too, ideal for Devon Malcolm, who has been steadily working up speed. Cook will open the bowling with him, but while the selectors might have been tempted into making changes, they have nearly always regretted the thought of dropping Angus Fraser in the past.

In line with the South African system, there is a proposal to give Illingworth the power to overrule a county's selection of an England player if he feels the player needs a break.

It would avoid a repeat of the situation last August when Darren Gough was chosen by Yorkshire for a NatWest Trophy semi-final against Northamp-



Mark Flint stakes his claim under the watchful eye of Ray Illingworth in Durban yesterday

Photograph: Empics

Power proposal for Illingworth

A recommendation for the Test and County Cricket Board to extend the powers of Ray Illingworth, the England chairman of selectors, will be placed before their winter meeting at Lord's today.

In line with the South African system, there is a proposal to give Illingworth the power to overrule a county's selection of an England player if he feels the player needs a break.

It would avoid a repeat of the situation last August when Darren Gough was chosen by Yorkshire for a NatWest Trophy semi-final against Northamp-

tonshire while he was attempting to recover from a stress injury.

Boh Woolmer, the South African coach, in contrast, was able to order Allan Donald to miss the Orange Free State match against England before the second Test.

The problem for the TCCB is that England players are contracted to their county not their country, unlike the South Africans who are signed up with the United Cricket Board. In the event, it is unlikely that the counties will agree to such a radical step, although indi-

vidually they may listen to Illingworth in future with more sympathy.

Meanwhile, moves to launch the English Cricket Board as a replacement for the TCCB have been put back a few months after the TCCB had set an initial deadline of 1 January for its inception.

The ECB will be discussed but the most positive action is likely to be the setting-up of a working party to investigate the ramifications of the new governing body. However, the meeting is likely to introduce changes to the domestic game

and the County Championship could see some fine tuning.

The Championship is almost certain to remain an 18-team structure, as opposed to a two-division competition many had called for and the Board is being asked to consider awarding prize-money as far down the table as ninth place.

There is no doubt that it will remain a four-day competition but there is a recommendation for over-rates to be reduced from the present 110 per day for the opening three days (102 on the fourth) to 104 and 96 respectively.

Normality fits Richardson like a glove

A wicketkeeper has milestones in mind at the third Test today. Derek Pringle reports

Imagine the indignity. Your country has, bar the odd expensive rebel tour, just spent 21 years in numbing isolation. Suddenly, you are allowed back on to the international stage and within months find yourself at the crease within a couple of edged fours of becoming really big box office and beating England to the 1991 World Cup final.

Suddenly, rain intervenes. When it finally stops, you require an absurd 23 runs from one ball. It's enough to make you pack it all in on the spot. "At the time we didn't feel cheated at all," recalls Dave Richardson. South Africa's wicket-keeper, and one of the men batting when high force suddenly overcame common sense that showery night at the Sydney Cricket Ground.

"I can remember packing my bag afterwards and thinking: Thank goodness that's over. You see we'd only just come back and it was all so new and hectic," he said. Neglecting to mention the small matter of carrying the expectations of a nation whose long overdue stumble towards a just future had just begun.

Richardson, like many South African athletes, has been shaped by his country's isolation. Now 36, and a commercial lawyer, he has had to wait for his moment in the Test arena. "Once you're in at that level though, you quickly improve," said the man whose first Test, against the West Indies in 1991, came at a time when others of his ilk would have been winding down.

Remarkably, however, since South Africa's readmission, Richardson is the only player not to have missed a Test, and barring calamity, he will earn his 25th cap Thursday morning. It is an impressive run, made all the more memorable when you realise that his 96 dismissals (all caught) come at a rate of four per Test, the highest in Test cricket for keepers with 50 or more dismissals to their name.

Should that fail to surprise, given that such an onslaught of high-class pace bowlers ought to provide plenty of edged catches, then the fact that he was out-gunned 11 catches to one in the last Test by Jack Russell, should do. It is a statistic that lends weight to the claim that South Africa are bowling far too short and are missing Fanie de Villiers' full-length outswingers more than they care to admit.

Like many under close public scrutiny, his safe unfussy keeping, while providing insights into the fastidious legal acumen behind the gloves, does not reveal the many hours of hard work he puts in to stay fit and supple. And he admits putting in more now than he did 10 years ago.

The senior member of what is essentially a young side, his dry wit and intelligence are crucial to the dressing-room mix, his coach, Boh Woolmer, thinks. "He's really good for us," Woolmer said before nets yesterday. "He's generally sensible and perceptive, both on and off the field. So when he opens his mouth, people tend to listen."

Like Russell, his counterpart in this series he is no slouch with the bat either. A year ago, he scored 247 runs at an average of 82 against New Zealand, including a century batting in his usual No 8 spot. It was an unusual achievement, brought quickly to heel when he suffered the humiliation of a king pair in his next Test against Pakistan. But such is the paucity of good keepers here, that even a prolonged run of failure with the bat is unlikely to jeopardise his place.

Given that wicketkeepers are normally inestimably strange, given to enacting odd rituals before going about their work, it is mildly disconcerting to find that Richardson does not even braid his fingers with tape and has no quirks or behavioural tics worthy of the mention.

He does not, he claims even feel moved to comment about hatmen from behind the stumps. "It's an easy position to be nasty from because there is no way for a batter to be able to get revenge. Anyway it's stupid to see someone behaving out of character, so I don't usually bother. I'm not confrontational. It's why I deal with contracts and not litigation."

But even if Richardson seems to come from an age of gentleman cricketers, surely he must have been moved to comment during Atherton's and Russell's lengthy rearguard at the Wanderers. Seeing the same backside settle in front of you, hour after hour, it would not be sane not to. "Well actually I did say one thing," he admitted somewhat sheepishly. "I told them Barnacle Bailey had nothing on them." He's right you know. It's always better to be in character.



Richardson: ever present

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Bradford are ebullient as Cook and Hall trade places

Rugby League
DAVE HADFIELD

Leeds and Bradford Bulls have completed a swap deal which sees the England back, Paul Cook, moving to Odsal in exchange for the New Zealander Carl Hall. Leeds will also receive an undisclosed cash balance, but the Bulls are jubilant over the recruitment of a 19-year-old of Cook's potential.

"This is a very good capture for our club," the Bradford coach, Brian Smith, said. "I have been following his career closely since my Hull days, and I am delighted he is joining us."

Cook, a regular first-teamer at full-back and wing for Leeds this season, was a member of England's World Cup squad in October. Hall, 26, joined Bradford from Doncaster 18 months

ago and is seen as a potential answer to Leeds' centre problems when Craig Liles leaves for Manly in the spring. The two players could be in direct opposition on Sunday when the sides play each other.

Bobbie Goulding, the St Helens captain, could miss the Boxing Day derby at Wigan and the Regal Trophy semi-final against Warrington four days later after being cited by Halifax for a tackle on John Fieldhouse which left him with a suspected broken jaw. Goulding will appear at a disciplinary committee this evening.

Great Britain have been reassured that their three-match series against Australia in October is safe, despite New Zealand's claim that they have been allocated a match against Australia on the same day as the third Test in Sydney.

Willey has Harris in his sights

Swimming

Martin Harris, unchallenged as Britain's leading sprint backstroker for the past five years, could have his supremacy threatened at the Uncle Ben's Winter Challenge in Sheffield which starts tonight.

The Commonwealth 100m champion has repeatedly set British records for 50m and 100m backstroke, long and short-course, since claiming Gary Abrahams' 100m long-course mark - which had stood for 10 years - in 1990.

However, Harris's title could be captured by the 19-year-old Neil Willey from Hertfordshire who, despite being the youngest swimmer in the field, won the 100m backstroke silver medal at the World Short-Course Championships in Rio de Janeiro a fortnight ago.

Willey's time of 53.23sec was only 0.08sec outside the British record, and Harris's chances of fending off the young swimmer's challenge - starting in the heats of the 50m backstroke today - cannot have been helped by the fact he is now without either a club or a coach.

Harris quit the Borough of Waltham Forest club in the summer, upset by their decision not to award a new contract to the club coach, Paul Bance.

Bance is now coaching in Wales, but Harris did not want to follow him from his home in east London, and he is now training at a local pool helped only by his father, Raymond, who said: "I take down his times, but really Martin is coaching himself."

"It's not an ideal situation as everyone needs a proper coach's support, but

Martin is a good self-motivator." The Winter Challenge, incorporating the Amateur Swimming Association's National Winter Championships, effectively marks the start of the countdown to the Olympic Games in Atlanta for top competitors such as Nick Gillingham.

The double Olympic medalist believes he can start his preparations in style by reclaiming the world short-course 200m breaststroke record which he held for two-and-a-half years before the Australian Phil Rogers set the existing mark of two minutes 07.80sec in August 1993.

Gillingham said: "In my opinion, Sheffield is the fastest pool in the world, and having home support behind me may just give me the extra one per cent I need to beat the record."

play them together again but I would not be frightened to so. I was quite pleased with them. They do cause danger, both in the air and on the ground." Hardly high praise, but Ferdinand is the obvious cover if Shearer were to be injured, and it would be a risk to omit him.

There is, of course, six months to go and a lot of players could be injured before then. There is also the matter of arranging the World Cup qualifying fixtures, and setting Venables' future. "I would think we will have sat down and talked about it before we do the fixtures," said Venables. "It is a little bit of a sad story, but

Photographs: Robert Hallam

John Hall, a former England flanker, has been named as the former England flanker John Hall as their first full-time director of rugby. So far this season, he has not been paid for his managerial efforts, but the club's management committee have decided to change that.

A spokesman for Bath, Ken Johnstone, said: "They were unanimous in their decision to make this appointment. John Hall now takes responsibility for all aspects of playing activity."

Hall, 33, captained Bath to three trophies in two seasons, but he retired at the end of last season, after missing the Pilkington Cup final with a knee injury that cost him numerous England appearances.

Rated as the top flanker in the world, Hall, who won only 21 caps after making his international debut in 1984,

This, it should be noted, is what the Second Division can do for you. However mortified McGeechan may have been to have made the drop, he cannot deny that playing inferior opposition – or playing First Division rugby in the Second Division, as he prefers to style it – has been a liberation, collectively for his team and personally for Grayson and Dawson.

There is no special significance, but it is a curiosity even so, that Dawson's problem, just like his background, was the opposite of Grayson's. Where

NORTH AND CENTRAL AMERICA (three quarters) Caribbean zone. First round: A Aruba v Dominican Republic; B Bahamas v St Kitts and Nevis; C Guyana v Trinidad; D Cuba v Puerto Rico. Second round: 1. Bahamas v Trinidad and Tobago; 2. Puerto Rico v St Kitts; 3. Cayman Islands v Cuba; 4. winner B v V. Luzon; 5. winner C v Haiti; 6. Sunnam v Jamaica; 7. winner D v Barbados; 8. winner A v Nevis. Antilles. Third round: Teams drawn into pairs with winners (A,B,C,D) going into semi-final phase. Winners qualify for semi-final phase. Central American zone: E Nicaragua v Guatemala; F Belize v Panama. Winners qualify for semi-final phase. Semi-final phase: Group 1: United States, Costa Rica, winner E, winner D; Group 2: Cuba, El Salvador, winner C, winner B; Group 3: Honduras, winner B, winner F; Group 4: Honduras, winner B, winner F. Troubadour, troubadour, troubadour, troubadour.

in practice

Motor racing

Gerhard Berger emerged unhurt from his second high-speed crash in as many weeks, the Austrian spinning his Benetton-Renault during Formula One tests in Estoril yesterday.

Berger's car slammed backwards into the safety rails at around 110mph. He emerged unhurt but damage to the car put an end to his practice session.

Michael Schumacher's Ferrari made the fastest lap in 1:34.62.

[illegible][illegible][illegible][illegible]

TODAY'S FIXTURES:

Football
7.30 Unless stated
FA CUP SECOND-ROUND REPLAYS
Barnsley v Fulham (7.45) _____
Barnstaple v Clacton (7.45) _____
FA YOUTH CUP Second round replay:
Barnsley v Plymouth Argyle
PONTINS LEAGUE First Division: Man-
chester United v Digham (7.0).
CAVON INSURANCE COMBINATION Second
Division: Torquay v Birmingham (7.0).

Other sports
EQUESTRIANISM: Olympia Show Jumping
Championships (London).
ICE SKATING: Nuremberg Challenge of
Champions (London Arena).
SWIMMING: Uncle Ben's Winter Challenge
Series (London).
HOCKEY: London Bears v London Lions

SPORT

KEN JONES: The boxer who believes he can beat Tyson 26

DEREK PRINGLE: Why Atherton is watching the weather 26

Crawley ready for the challenge

Cricket

John Crawley faces his toughest challenge yet after forcing himself back into England's Test team. One by one, the Lancashire batsman has tackled problems which were threatening to keep him among international cricket's also-rans.

He is fitter than ever before, having lost a stone in weight since last winter's Ashes tour of Australia. He is quicker and more agile in the field after following a rigorous training routine. His technique at the crease appears much tighter, with a heavy emphasis on playing straight and thereby eliminating as many risks as possible.

But now all that hard work is about to be given its sternest examination over five days at Kingsmead as England and South Africa meet in the third Test which could shape this winter's five-match series.

For Crawley, though, the real task starts here. Barring a last-minute change of mind, the 24-year-old will bat at No 3 - a position made available once more by Mark Ramprakash's failure under pressure. "If they are good enough they can do it," Ray Illingworth, the chairman of selectors, said when asked whether it was wise to entrust such a key position to the squad's most inexperienced batsman - and one, who after nine Test appearances, averages only 22.

"John has worked very hard on his fitness and his fielding since last winter. It has been a tremendous effort. And, as a batsman, when he gets in he's got great concentration."



Front crawl: John Crawley, the 24-year-old Lancashire batsman who starts the third Test against South Africa at No 3, relaxes in the Durban sunshine yesterday

Photograph: Lawrence Griffiths/Empics

Venables set for extended contract

Football

Terry Venables looks ready to accept the challenge of leading England through a daunting 1998 World Cup mission.

And the extension to the national coach's current contract could be in place by the time he heads the new year delegation to Rome to map out the qualifying programme.

The Football Association confirmed talks will take place either side of Christmas - barring any devastating developments from Venables' courtroom appearance this week - and the former Tottenham

manager said: "It will be helpful for both sides to have it settled."

It will not be easy negotiating a fixture timetable to ease England's challenge against World Cup runners-up Italy, old enemy Poland and the former Soviet republics of Georgia and Moldova.

But Venables' immediate concern is Sunday's second big draw in Birmingham which will set out his European Championship task for which he was initially appointed.

Once that is known, he will look to the FA to give him a high quality build-up to next summer's finals, with so far only

Croatia pencilled in for a Wembley visit in April.

"A team like Croatia will be top class opposition, and we have several teams who want to play us. I do not think we will be spoilt for choice."

"I want to wait for the draw on Sunday before we make any decisions, but whatever that does we want the best to play against. Teams like Portugal are a great test for us."

Croatia have offered Bosnia the use of their stadiums after the two former Yugoslav republics were grouped together alongside Slovenia in the qualifying competition for the 1998 World Cup.

"We are pleased that the Slovene and Bosnian squads have been drawn in the same group, as both of them are our neighbours," Ante Pavlovic, the Croatian federation secretary, said.

"If they were to meet any problems during the World Cup regarding the playing of matches in Bosnia-Herzegovina, we are offering them our stadiums, although we have heard that they already have a standing arrangement with Italy."

The three westernmost states of the former Yugoslavia have friendly relations. Slovenia have kept out of the wars which

have ravaged other parts of the country since it broke up. The other teams in the group are Greece and Denmark, whose captain, Michael Laudrup, was unimpressed with the make-up of the group.

"The draw is the worst imaginable for Denmark. Croatia worry me especially. We could have done without them. They are at the moment one of Europe's very best teams."

But Bo Johansson, who takes over from current national trainer Richard Moeller Nielsen after this summer's European Championship finals, was philosophical.

"I am happy and optimistic

about the draw. It is obvious that Denmark and Croatia must be favourites for qualification, but a lot can happen between now and 1997."

Birmingham captain Liam Daish is protesting his innocence after being barred from playing in the remainder of this season's Anglo-Italian Cup.

Daish has been excluded from the competition while investigations continue into an alleged assault on Ancona coach Massimo Cacciatori in an explosive tie in Italy last month.

Cacciatori spent two weeks in hospital after suffering a fractured cheekbone and a gash be-

low his left eye. The case is being investigated by the Italian judiciary.

But Daish is angry that no action has been taken against Cacciatori who is alleged to have entered the pitch during the game and attacked several Birmingham players.

Daish said: "I accept the fact that I can't play in the competition but I do not accept any guilt and I am disappointed that nothing has been said about the Ancona coach."

"It could have been me or Paul Dalt who ended up in hospital after what happened that night. Yet as far as I know, the same coach will be in the dug-

out when Ancona play at Luton tonight."

"Has Cacciatori been cleared of any blame? I'd like to know. I will sit out my suspension because the competition has to come first, but I am innocent."

The decision to suspend Daish followed a meeting of the organising committee in London yesterday.

The competition is self-contained as far as disciplinary matters are concerned - red and yellow cards do not count towards domestic matches - but reports on the 15 November affair could still be forwarded to the respective national associations for further action.

Bolton try to prise Jess from Aberdeen

ALAN NIXON

Bolton are to offer Aberdeen £1.5m for their Scotland attacker Eoin Jess. The struggling Premiership club have been watching Jess all season.

Jess has been in stunning form, scoring regularly from midfield, although he also plays

up front. Aberdeen value him at more than £2m, but as his contract runs out at the end of the season, they may wish to cash in now. Jess has also been watched by Sheffield Wednesday and Leeds, who could make counter offers.

Bolton's management team of Roy McFarland and Colin Todd have spent £5m this sea-

son but there is more money available to them. Bolton are quietly optimistic because Aberdeen have signed Dean Windass from Hull City as a potential replacement for Jess.

Crystal Palace have lined up Darlington's highly rated centre-back Sean Gregan to replace Chris Coleman. Palace's chairman, Roo Noades, has agreed

a £250,000 deal with the Third Division club.

Gregan will be allowed to leave because Darlington are in financial trouble despite selling a handful of players this season. He will join Palace this week for a couple of days' training, while he completes a suspension.

Peter Schmeichel, who has missed Manchester United's last

two games after an elbow operation, hopes to be fit for Sunday's Premiership match against Liverpool. He had not been expected to play before Christmas. "I'll be working really hard this week and hopefully I'll be able to play, although there is a risk of making the injury worse. I don't want to play and ruin the next five games," he said.

Rowell forces England to watch video nasties

Rugby Union
TIM GLOVER

If England lose to Western Samoa at Twickenham on Saturday it will be their fourth defeat in a row. Jack Rowell, the England coach, did not need reminding. "I know," Rowell said, somewhat snuffily. "I trained as an accountant."

To prevent such a débâcle, the squad have been given extra homework, adopting the role of film critic.

England have used videos before but now they have gone for the personal touch. Following the 24-14 defeat against South Africa at Twickenham each player was given a video of his individual performance and told to watch the film at home. For most of them it would have made uncomfortable viewing, almost akin to a horror movie. At least that is how Rowell saw it. "This time we want to make amends," big Jack said. "We didn't tackle well. English rugby has a problem playing against the power numbers and there were a lot of errors. I wasn't happy with any of the three tries they scored. It would be easy to say we hadn't played together for five months but we aspire to world-class recognition."

We were highly motivated but we didn't follow the game plan. Our effort was totally dissipated."

Rowell kept referring to the game plan and seemed to be at a loss to understand how the Springboks. "England have got to get up," Rowell said. "We have got to find out who's running and who's walking, mentally and physically. The stop-start game has been rapidly outmoded since the World Cup and either we get into it or we are going to be left behind. England owes the nation a big one on Saturday. They owe themselves a big one."

England have been working on tackling, scrummaging, almost everything it seems. "More pressure work," Rowell said, "to expurgate the high error rate." So it is back to the game plan and Rowell admitted that a lot will depend on the new half-backs, Paul Grayson and Matt Dawson. "Our kick-offs were lamentable the last time," Rowell lamented. "We kept kicking the ball back to their powerful pack."

While acknowledging that Western Samoa were not the world champions, Rowell was also at pains to point out that they were no walkover. "Any team that goes to Murrayfield and gets a draw against Scotland deserves

respect," he said. "Their running backs are equivalent to the best of New Zealand and they have beefed up their forward play."

Over the weekend England players will again be presented with a video of their performance. It is called notational analysis and the idea is borrowed from American football. "It's better than just looking at cold statistics," Rowell said. "The videos are designed to help, to show the players exactly what they are doing in the game."

However, Rowell agreed that England, who trained yesterday without the captain, Will Carling, who has a cold, could have their focus blurred by the uncertainty surrounding players' contracts.

"There are things floating around in players' minds," Rowell said. "They're thinking if I sign this will there be something bigger around the corner? Should my lawyer see it?"

The RFU could respond, of course, by pointing out that the one thing the players' lawyers would not want to see is the video nasty of England's miserable defeat against South Africa.

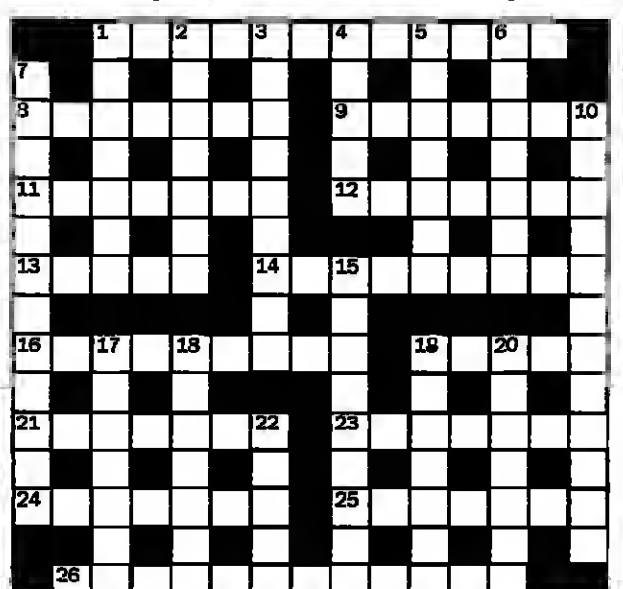


THE INDEPENDENT CROSSWORD

No. 2857, Thursday 14 December

By Hollebone

Wednesday's Solution



CHILDLAIN STAMP
U G L D I A R R
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E S A N P
MOEL PRANGENHUY
W I T E O S O
OVERSPENT SPEAK
O Q E N T I E E
ORYAO TREASURED

- ACROSS**
- 1 A Nineties person (12)
 - 8 Is a name forgotten by one with this? (7)
 - 9 A purge for actors? Non-sense! (7)
 - 11 A little bit of noise I almost always accept (7)
 - 12 Part of record is poetry (7)
 - 13 For instance, deposit money? (5)
 - 14 Leading Sixties car model (9)
 - 16 Reject token appeal by communist (9)
 - 19 Tooth-cleaner for use after candy? (5)
 - 21 Antipodean's work earns enormous amount of money (7)

- DOWN**
- 1 Puzzle with a minus sign perhaps (7)
 - 2 Sodium smell's beginning to develop (7)
 - 3 Barrow's enclosure? (9)
 - 4 Verne's novel may cause you to lose yours (5)
 - 5 Standard rake has metal in it (7)
 - 6 "I —" announces right-winger, being filled with lust (7)

- ACROSS**
- 23 A job for the French teacher (7)
 - 24 This grid's clear and sound as a bell! (7)
 - 25 TS Eliot composed for ladies and gentlemen (7)
 - 26 Speaker one gets true control over (12)

- DOWN**
- 7 Could be a pair of 1 across's in the club (5,3,4)
 - 10 An aid to producing ultimately less watery beers? (7,5)
 - 15 Two animals and I reach the speed of light as a result of this purgative! (9)
 - 17 Lessen the odds of tiny horse that's running (7)
 - 18 Worked up? Take a break! I have (7)
 - 19 Duke embraces my shopkeeper (7)
 - 20 Weather for old-fashioned clothes (7)
 - 22 Bump into bigshot (5)